



30419 Six Mile Road  
Livonia, MI 48152

## HOME EQUITY CREDIT ACCOUNT DISCLOSURES

This disclosure contains important information about your Home Equity Line of Credit Account ("Account"). You should read it carefully and keep a copy for your records.

1. **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, to not enter into an agreement with us, you are entitled to a refund of any fees that you paid in connection with your application.
2. **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.
3. **Possible Actions.** We may take the following actions with respect to your Account under the circumstances listed below:
  - a. **Termination and Acceleration.** We may terminate your Account and require you to pay us the entire outstanding balance immediately, and charge you certain fees if any of the following happen:
    - i. You engage in any fraud or material misrepresentation in connection with your Account. For example, if there are false statements or omissions on your application or financial statements.
    - ii. You do not meet the repayment terms of the Account.
    - iii. Your action or inaction adversely affects the collateral or our rights in the collateral. For example, if you fail to: maintain insurance, pay taxes, transfer title to or sell the collateral, prevent the foreclosure of any items, or waste of the collateral.
  - b. **Suspension of Credit/Reduction of Credit Limit.** We may refuse to make additional advances on your line or reduce your credit limit during any period in which the following exist or occur:
    - i. Any of the circumstances listed in a. above.
    - ii. The value of your dwelling securing the Account declines significantly below its appraised value for purposes of the Account.
    - iii. We reasonably believe that you will not be able to meet the repayment requirements of the Account due to a material change in your financial circumstances.
    - iv. You are in default under any material obligation of your Account.

All of your obligations under the Account (Agreement and Mortgage) are material to maintaining this Account. The categories of your obligations are set forth in the following paragraphs of these Agreements:

Home Equity Line of Credit Account Agreement. 1. Promise to Pay; 2. Account Access; 3. Loan Payments; 4. Security Requirements; 8. Other Charges and Closing Costs; and 10. Possible Credit Union Actions.

Line of Credit Mortgage. 3. Payment and Performance; 4. Possession and Maintenance of the Property; 5. Indemnity; 6. Due on Sale; 7. Taxes and Liens; 8. Property Damage Insurance; 10. Warranty/Defense of Title; 11. Condemnation; 12. Imposition of Taxes; 13. Security Agreement; 14. Further Assurances/Attorney in Fact; 16. Possible Actions of Lender; 20. Attorney Fees; and 25. Miscellaneous Provisions.

  - v. The maximum **ANNUAL PERCENTAGE RATE** under your Account is reached.
  - vi. Any 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% of the credit line.
  - vii. We have been notified by government agency that continued advances would constitute an unsafe and unsound practice.

- c. **Change in Terms.** The Agreement permits us to make certain changes to the terms of the Account at specified times or upon the occurrence of specified events.
4. **Minimum Draw Requirements.** The minimum advance amount is \$500 for the first advance and \$200 for subsequent advances.
5. **Minimum Payment Requirements.** You will make payments at least monthly to meet the Minimum Payment requirements. You agree that you will pay the Minimum Payment on or before the due date indicated on your statement. Minimum Payments will include all amounts past due, late fees, applicable insurance premiums, and the minimum monthly payment, as follows:
- i. **Draw Period.** You can obtain credit advances for a period of six (6) years (the "Draw Period"). During the draw period, payments will be due monthly. The amount of your minimum monthly payment will equal the amount necessary to amortize the balance after your most recent advance over a period of ten (10) years from the date of the advance (the "amortization period"), or \$50, whichever is greater. The payment will be rounded up to the nearest dollar. The amount of your minimum monthly payment will increase or decrease with each change in the **ANNUAL PERCENTAGE RATE** to pay off the balance within the amortization period specified above.
  - ii. **Repayment Period.** After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance ("repayment period"). The length of the repayment period will vary depending on the date of your most recent advance, but will not be longer than nine (9) years. Your minimum monthly payment will equal the amount necessary to amortize the balance after your most recent advance over a period of ten (10) years from the date of the advance (the "amortization period"), or \$50, whichever is greater. The payment will be rounded up to the nearest dollar. The amount of your minimum monthly payment will increase or decrease with each change in the **ANNUAL PERCENTAGE RATE** in order to pay off the balance over the amortization period specified above.
6. **Minimum Payment Example.** If you took a single \$10,000 advance at an **ANNUAL PERCENTAGE RATE** of 4.50% (the most recent index plus margin shown in the historical table subject to the applicable minimum rate) and made only the minimum monthly payments, it would take 108 months to pay off your Account. During that period you would make 120 monthly payments of \$103.64.
7. **Fees and Charges.**
- a. **Third Party Costs to Open Account.** In order to open and maintain the line, you must pay certain fees and charges to third parties. These fees generally total between \$450 and \$1000. If you ask us, we will provide you with an itemization of these fees. Certain fees may be conditionally waived as shown on the Account Opening Advice. Fees that are subject to the conditional waiver will not be charged to the account unless the account is closed before the third anniversary of the account opening date.
  - b. **Other Charges.**
    - i. **Late Fee.** If a payment is not received within 10 days after its due date, you will pay a late fee equal to 20% of the interest due, with a minimum fee of \$35.
    - ii. **Returned Payment Service Charge.** If any payment on your Account is returned you will pay a service charge of \$30.
    - iii. **Attorney Fees and Collection Costs.** The Credit Union may start a collection action in the county in which the Credit Union is located or the county where the real property is located. You will pay the Credit Union's attorney fees whether or not there is a lawsuit, including attorney fees on any appeal. You also will pay any collection costs, such as repossession fees and court costs. All of these costs and expenses may be added to your present debt and a **FINANCE CHARGE** may be imposed on them at the highest rate applied to any of your loan advances.
    - iv. **Property Taxes.** We may pay any delinquent and unpaid property taxes on the loan security to the principal balance and assess a **FINANCE CHARGE** on the balance.
    - v. **Check Access.** If you request the use of checks to access your Account, you will pay a check printing cost of \$25 for each order of checks.
    - vi. **Inactivity Service Charge.** If there is no activity on your account for 60 consecutive months during the draw period, you will pay an inactivity service charge of \$150.

- vii. **Card Access.** If you request the use of a card to access your account, you will pay a one-time service charge of \$25.
8. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges under the plan.
9. **Annual Percentage Rate and Periodic Rate.** The **ANNUAL PERCENTAGE RATE** is divided by 365 to obtain the Periodic Rate. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs.
- a. **Variable Rate Features.** The **ANNUAL PERCENTAGE RATE** may change based on the value of an index. The index is the highest Prime Rate as most recently published in *The Wall Street Journal* as of the 28<sup>th</sup> day of the month before any rate adjustment. To obtain the **ANNUAL PERCENTAGE RATE**, we add a margin to the index. Your initial rate may be discounted and not based on the index and margin used for later rate adjustments. The margin and the initial **ANNUAL PERCENTAGE RATE** for your account will be disclosed on the Account Opening Advice/Advance Voucher when your account is opened. After you open an Account, rate information will be provided on periodic statements that we will send you.
- b. **Rate Adjustments.** The **ANNUAL PERCENTAGE RATE** may change on the first day of each calendar quarter (January, April, July, and October). The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.00%. The minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.50%. An increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the amount of your monthly payments.
10. **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 15.00% would be \$161.33. This rate could be reached in the first year of the Account. If you had an outstanding balance of \$10,000 at the beginning of the Repayment Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.00% would be \$161.33. This rate could be reached in the first year of the Account.
11. **Historical Example.** The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single \$10,000 credit advance on a home equity line of credit would have changed based on changes in the index over the last 15 years. The index values are from January 1 of each year. While only one payment amount 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 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 would change in the future.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)		Minimum Monthly Payment (\$)
2007	8.25	0.25	8.50		
2008	7.25	0.25	7.50		132.28
2009	3.25	0.25	4.50**		128.12
2010	3.25	0.25	4.50**		117.63
2011	3.25	0.25	4.50**	DRAW PERIOD	117.63
2012	3.25	0.25	4.50**		117.63
2013	3.25	0.25	4.50**		117.63
2014	3.25	0.25	4.50**		117.63
2015	3.25	0.25	4.50**		117.63
2016	3.50	0.25	4.50**		--
2017	3.75	0.25	4.50**	REPAYMENT PERIOD	--
2018	4.50	0.25	4.75		--
2019	5.50	0.25	5.75		--
2020	4.75	0.25	5.00		--
2021	3.25	0.25	4.50**		--

\* This is a margin we have used recently for borrowers with excellent credit.

\*\* This rate reflects the lifetime minimum rate.