



COMMUNITY ALLIANCE
CREDIT UNION

EST. 1966

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HOME EQUITY EARLY DISCLOSURE IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of 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 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 pay 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: We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if: (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan; or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice; (8) the maximum annual percentage rate is reached, or (9) For Wisconsin Borrowers Only: you engage in fraud or material misrepresentation in connection with this plan.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 10 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. 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; however, the length of the repayment period will not exceed 10 years.

You will be required to make monthly payments during the draw and repayment periods. Your payment will be \$1.40 per each \$100.00, or fraction of \$100.00, of the outstanding balance at the time you obtain an advance or \$100.00, whichever is greater. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. We will recalculate your payment each time you obtain an advance. If the interest rate increases, you will be required to make more payments of the same amount. The minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon

payment at the maturity date. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 6 years 8 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 79 payments of \$140.00 and one (1) final payment of \$68.21.

FEES, CHARGES & REIMBURSEMENT: There are some third party fees associated with opening this plan. These fees generally range between \$0.00 and \$1,000.00. The Credit Union may pay these fees on your behalf, but you will be required to reimburse the Credit Union if you close your line of credit plan within 24 months from its opening. If you ask, we will provide you with an itemization of the fees you may 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.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

VARIABLE RATE FEATURE: This plan has a variable rate feature thus the annual percentage rate (corresponding to the periodic rate) may change requiring you to make more payments until the balance is repaid. The annual percentage rate includes only interest and no other costs.

The annual percentage rate is based on the value of an index. The index is the Prime Rate published in the Money Rates column of the Wall Street Journal. When a range of rates has been published the highest rate will be used. We will use the most recent index value available to us as of 10 days before the date of any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account, 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 plan, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change quarterly on the first day of January, April, July and October. There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 13.00% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3.00% at any time during the term of the plan.

MARGIN: The margin you receive will be based on the amount of equity in property offered as collateral commonly referred to as Loan to Value or LTV. Please ask us for the margin that you qualify for. The margin you receive may be different than the one used in the Historical Example.

MAXIMUM RATE AND PAYMENT EXAMPLES: This loan example assumes that your LTV was less than or equal to 80% when you established your plan thus a maximum **ANNUAL PERCENTAGE RATE** of 13.00%. If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 13.0% would be \$140.00. This annual percentage rate could be reached at the time of the 1st payment.

HISTORICAL EXAMPLE: 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 past 15 years. The index values are from the last business day of July of each year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, 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.

WALL STREET JOURNAL PRIME RATE INDEX TABLE

Year (as of the last business day of July)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1999	8.000	0.00	8.000	140.00
2000	9.500	0.00	9.500	140.00
2001	6.750	0.00	6.750	140.00
2002	4.750	0.00	4.750	140.00
2003	4.000	0.00	4.000	140.00
2004	4.250	0.00	4.250	140.00
2005	6.250	0.00	6.250	140.00
2006	8.250	0.00	8.250	140.00
2007	8.250	0.00	8.250	
2008	5.000	0.00	5.000	
2009	3.250	0.00	3.250	
2010	3.250	0.00	3.250	
2011	3.250	0.00	3.250	
2012	3.250	0.00	3.250	
2013	3.250	0.00	3.250	

⁽¹⁾ This is a margin we have used recently; your margin may be different.