

CREDIT CARD ACCESS
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 Plans. 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, or (8) the maximum annual percentage rate is reached.

OVERDRAFT PROTECTION: Upon your request and our approval, we may allow you to advance funds under this Plan to pay any overdrafts.

CREDIT CARD ACCESS: Upon your request and our approval, we may grant you credit card access to this plan.

MINIMUM PAYMENT REQUIREMENTS: We offer two payment plans: the "Regular Payment Plan" and the "Interest Only" payment plan. Terms apply to both plans unless otherwise indicated.

You can obtain credit advances for 5 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 but will never exceed 15 years. You will be required to make monthly payments during both the draw and repayment periods.

Regular Payment Plan: During the draw period, your payment will be 1.05%, 1.10% or 1.20% of the outstanding balance each month or \$25.00, whichever is greater. We will round the payment up to the nearest dollar.

At the beginning of the repayment period we will recalculate your payment.

Interest Only: During the draw period your monthly payment will equal the finance charges (interest) that accrued on the outstanding balance during the preceding month. Your payment

will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. At the beginning of the repayment period we will recalculate your payment.

Both Plans: At the beginning of the repayment period, your payment will be set at 1.05%, 1.10% or 1.20% of the balance as of the end of the draw period or \$25.00, whichever is greater. We will round the payment up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases during the repayment period, you will be required to make more payments of the same amount until the end of the repayment period.

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.

If the interest rate increases so much that the minimum payment is not adequate to pay the accrued finance charges (interest), we will increase the payment amount to be 1.70% of the balance. The payment percent will return to the applicable percentage once that percentage is adequate to pay the accrued finance charges.

MINIMUM PAYMENT EXAMPLE - REGULAR PAYMENT PLAN:
1.05% Payment Factor: If you made only the minimum monthly payment and took no other credit advances it would take 17 years 1 month to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$93.00 to \$105.00, followed by 144 payments of \$105.00 and one (1) final payment of \$107.54.

1.10% Payment Factor: If you made only the minimum monthly payment and took no other credit advances it would take 15 years 6 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$95.00 to \$110.00, followed by 125 payments of \$110.00 and one (1) final payment of \$85.40.

1.20% Payment Factor: If you made only the minimum monthly payment and took no other credit advances it would take 13 years 3 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$97.00 to \$120.00, followed by 98 payments of \$120.00 and one (1) final payment of \$74.56.

MINIMUM PAYMENT EXAMPLE - INTEREST ONLY PLAN - 1.05% Factor in Repayment: If you made only the minimum monthly payment and took no other credit advances it would take 20 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$77.25 to \$85.53, followed by 179 payments of \$105.00 and a final balloon payment of \$1,315.15.

MINIMUM PAYMENT EXAMPLE - INTEREST ONLY PLAN - 1.10% Factor in Repayment: If you made only the minimum monthly payment and took no other credit advances it would take 19 years 5 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$77.25 to \$85.53, followed by 172 payments of \$110.00 and one (1) final payment of \$27.75.

MINIMUM PAYMENT EXAMPLE - INTEREST ONLY PLAN - 1.20% Factor in Repayment: If you made only the minimum monthly payment and took no other credit advances it would take 17 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.07%. During that period, you would make 60 payments of \$77.25 to \$85.53, followed by 143 payments of \$120.00 and one (1) final payment of \$96.82.

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Annual Fee: \$25.00 (Due when the plan is opened and on each anniversary date.)

You must pay certain fees to third parties to open the plan. These fees generally total between \$8.00 and \$1,000.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

FEE REIMBURSEMENT: We may pay third party fees on your behalf. If we do, you will be liable to reimburse us these fees if you close your plan within three years after it is opened. We may add any amount owed onto your principal balance.

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.

PRIMARY RESIDENCE: The interest only option is only offered if you are using your primary residence as security. The house offered as security for this option must remain your primary residence unless you obtain our permission.

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 and the annual percentage rate (corresponding to the periodic rate) may change as a result. If the annual percentage rate increases and you have the Regular Payment option, you will need to make more payments and the amount of a balloon payment, if any, would increase. If you have the Interest Only option, the payment will increase during the draw period if the annual percentage rate increases; during the repayment period, you will make more payments and the amount of a balloon payment, if any, would increase. 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 the day before any annual percentage rate change.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. The margin that you receive is based on your creditworthiness and the amount of equity in your property. You may not qualify for the margin shown in the historical table. Please ask us for the margins we are currently offering and for which you might qualify.

The initial annual percentage rate may be "discounted" by either offering a rate that is lower than the index and margin used for subsequent rate adjustments or by offering a margin that is lower than the margin used for later rate adjustments. We have recently offered a discounted program that was in effect for three months. Maintenance of an initial discounted rate is conditioned on you being current in your payments and not having any other type of default. If you are not in good standing on your account, the discount will end.

Ask us for the current index value, margin, annual percentage rate, and discount availability. 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 once a month the day following a change in the index except if the rate has been discounted for a fixed period of time. There is no limit on the amount the annual percentage rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% or the maximum permitted by law, whichever is less. However, the minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.50% after the expiration of any discounted rate.

FIXED RATE CONVERSION OPTION: This plan has a fixed rate option (the "option") which you may exercise up to three advances at any one time. The option must be exercised for a minimum amount of \$2,500.00. We may charge you a Rate Lock Fee of \$25.00 each time you exercise the fixed rate option. This fee is a **FINANCE CHARGE**.

At the time you exercise the option, that portion of your balance will have a fixed rate. You may exercise the option at different times and therefore could have different balances at different fixed rates as well as have a balance under the regular variable rate terms. You may not exercise the option if the credit limit would be exceeded. Your credit limit applies to the combined total of all amounts owing under the variable rate and fixed rate features. All future advances will be at the current variable rate according to the terms previously disclosed unless another option is exercised.

When you exercise the option, you will need to sign a Fixed Rate Conversion Agreement. The Agreement will set forth the fixed rate, payment amount and other relevant terms. The fixed rate will be based on the Prime Rate published in the Money Rates column of the Wall Street Journal plus a margin. If you elect the option, your minimum payment will be calculated separately from the minimum payment on your variable rate and other fixed rate portions.

PREFERRED RATE: From time to time we offer Annual Percentage Rate reductions if you have various services with the credit union. You must maintain the qualifying services or the Annual Percentage Rate will increase to the standard rate. Refer to the "Preferred Service Schedule" to see if you may qualify for a preferred rate.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$170.00 for the Regular Payment Plan and \$152.88 for the Interest Only Plan. If the annual percentage rate is discounted, this annual percentage rate could be reached at the time of the 4th payment during the draw period. If the annual percentage rate is not discounted, this annual percentage rate could be reached at the time of the 1st payment during the draw period.

If you had an outstanding balance of \$10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$170.00 for the Regular Payment Plan and \$170.00 for the Interest Only Plan. This annual percentage rate could be reached at the time of the 1st payment during the repayment period.

HISTORICAL EXAMPLE: The following tables show 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 January of each year. While only one payment per year is shown, payments may have varied during each year.

The tables assume that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. They do not necessarily indicate how the index or your payments will change in the future.

TABLES ARE FOUND ON SUBSEQUENT PAGES

WALL STREET JOURNAL PRIME RATE INDEX TABLE FOR REGULAR PAYMENT OPTION WITHOUT DISCOUNT

| Year (as of the last business day of January) | Index (Percent) | Margin ⁽¹⁾ (Percent) | ANNUAL PERCENTAGE RATE | Monthly Payment (Dollars) | Monthly Payment (Dollars) | Monthly Payment (Dollars) |
|---|-----------------|---------------------------------|------------------------|---------------------------|---------------------------|---------------------------|
| | | | | 1.05% Factor | 1.10% Factor | 1.20% Factor |
| 1994..... | 6.000 | 4.07 | 10.070 | 105.00 | 110.00 | 120.00 |
| 1995..... | 8.500 | 4.07 | 12.570 | 165.66 ⁽²⁾ | 107.00 | 115.00 |
| 1996..... | 8.500 | 4.07 | 12.570 | 158.20 ⁽²⁾ | 106.00 | 113.00 |
| 1997..... | 8.250 | 4.07 | 12.320 | 94.00 | 106.00 | 111.00 |
| 1998..... | 8.500 | 4.07 | 12.570 | 150.53 ⁽²⁾ | 105.00 | 109.00 |
| 1999..... | 7.750 | 4.07 | 11.820 | 105.00 | 110.00 | 120.00 |
| 2000..... | 8.500 | 4.07 | 12.570 | 105.00 | 110.00 | 120.00 |
| 2001..... | 9.000 | 4.07 | 13.070 | 105.00 | 110.00 | 120.00 |
| 2002..... | 4.750 | 4.07 | 8.820 | 105.00 | 110.00 | 120.00 |
| 2003..... | 4.250 | 4.07 | 8.320 | 105.00 | 110.00 | 120.00 |
| 2004..... | 4.000 | 4.07 | 8.070 | 105.00 | 110.00 | 120.00 |
| 2005..... | 5.250 | 4.07 | 9.320 | 105.00 | 110.00 | 120.00 |
| 2006..... | 7.500 | 4.07 | 11.570 | 105.00 | 110.00 | 120.00 |
| 2007..... | 8.250 | 4.07 | 12.320 | 105.00 | 110.00 | 120.00 |
| 2008..... | 6.000 | 4.07 | 10.070 | 105.00 | 110.00 | 120.00 |

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

(2) This payment reflects an adjustment to avoid negative amortization.

WALL STREET JOURNAL PRIME RATE INDEX TABLE FOR REGULAR PAYMENT OPTION WITH DISCOUNT

| Year (as of the last business day of January) | Index (Percent) | Margin ⁽¹⁾ (Percent) | ANNUAL PERCENTAGE RATE With Discount | Monthly Payment (Dollars) | Monthly Payment (Dollars) | Monthly Payment (Dollars) |
|---|-----------------|---------------------------------|---|---------------------------|---------------------------|---------------------------|
| | | | | 1.05% Factor | 1.10% Factor | 1.20% Factor |
| 1994..... | 6.000 | - 0.51 ⁽²⁾ | 5.490 ⁽³⁾ | 105.00 | 110.00 | 120.00 |
| 1995..... | 8.500 | 4.07 | 12.570 | 158.20 ⁽⁴⁾ | 102.00 | 110.00 |
| 1996..... | 8.500 | 4.07 | 12.570 | 151.06 ⁽⁴⁾ | 102.00 | 108.00 |
| 1997..... | 8.250 | 4.07 | 12.320 | 90.00 | 101.00 | 106.00 |
| 1998..... | 8.500 | 4.07 | 12.570 | 143.84 ⁽⁴⁾ | 100.00 | 104.00 |
| 1999..... | 7.750 | 4.07 | 11.820 | 105.00 | 110.00 | 120.00 |
| 2000..... | 8.500 | 4.07 | 12.570 | 105.00 | 110.00 | 120.00 |
| 2001..... | 9.000 | 4.07 | 13.070 | 105.00 | 110.00 | 120.00 |
| 2002..... | 4.750 | 4.07 | 8.820 | 105.00 | 110.00 | 120.00 |
| 2003..... | 4.250 | 4.07 | 8.320 | 105.00 | 110.00 | 120.00 |
| 2004..... | 4.000 | 4.07 | 8.070 | 105.00 | 110.00 | 120.00 |
| 2005..... | 5.250 | 4.07 | 9.320 | 105.00 | 110.00 | 120.00 |
| 2006..... | 7.500 | 4.07 | 11.570 | 105.00 | 110.00 | 120.00 |
| 2007..... | 8.250 | 4.07 | 12.320 | 105.00 | 110.00 | 120.00 |
| 2008..... | 6.000 | 4.07 | 10.070 | 105.00 | 110.00 | 120.00 |

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

(2) This is a discounted margin we have recently offered; if your margin is discounted, it may be by a different amount.

(3) This **ANNUAL PERCENTAGE RATE** reflects a discount that we have recently provided; if your plan is discounted, it may be by a different amount.

(4) This payment reflects an adjustment to avoid negative amortization.

WALL STREET JOURNAL PRIME RATE INDEX TABLE FOR INTEREST ONLY PAYMENT OPTION WITHOUT DISCOUNT

| Year (as of the last business day of January) | Index (Percent) | Margin ⁽¹⁾ (Percent) | ANNUAL PERCENTAGE RATE Without Discount | Monthly Payment (Dollars) 1.05% | Monthly Payment (Dollars) 1.10% | Monthly Payment (Dollars) 1.20% |
|---|-----------------|---------------------------------|---|---------------------------------|---------------------------------|---------------------------------|
| | | | | Repayment Factor | Repayment Factor | Repayment Factor |
| 1994 | 6.000 | 4.07 | 10.070 | 85.53 | 85.53 | 85.53 |
| 1995 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1996 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1997 | 8.250 | 4.07 | 12.320 | 104.64 | 104.64 | 104.64 |
| 1998 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1999 | 7.750 | 4.07 | 11.820 | 105.00 | 110.00 | 120.00 |
| 2000 | 8.500 | 4.07 | 12.570 | 168.59 ⁽²⁾ | 110.00 | 120.00 |
| 2001 | 9.000 | 4.07 | 13.070 | 166.03 ⁽²⁾ | 110.00 | 120.00 |
| 2002 | 4.750 | 4.07 | 8.820 | 105.00 | 110.00 | 120.00 |
| 2003 | 4.250 | 4.07 | 8.320 | 105.00 | 110.00 | 120.00 |
| 2004 | 4.000 | 4.07 | 8.070 | 105.00 | 110.00 | 120.00 |
| 2005 | 5.250 | 4.07 | 9.320 | 105.00 | 110.00 | 120.00 |
| 2006 | 7.500 | 4.07 | 11.570 | 105.00 | 110.00 | 120.00 |
| 2007 | 8.250 | 4.07 | 12.320 | 105.00 | 110.00 | 120.00 |
| 2008 | 6.000 | 4.07 | 10.070 | 105.00 | 110.00 | 120.00 |

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

(2) This payment reflects an adjustment to avoid negative amortization.

WALL STREET JOURNAL PRIME RATE INDEX TABLE FOR INTEREST ONLY PAYMENT OPTION WITH DISCOUNT

| Year (as of the last business day of January) | Index (Percent) | Margin ⁽¹⁾ (Percent) | ANNUAL PERCENTAGE RATE With Discount | Monthly Payment (Dollars) 1.05% | Monthly Payment (Dollars) 1.10% | Monthly Payment (Dollars) 1.20% |
|---|-----------------|---------------------------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | | | Repayment Factor | Repayment Factor | Repayment Factor |
| 1994 | 6.000 | -0.51 ⁽²⁾ | 5.490 ⁽³⁾ | 46.63 | 46.63 | 46.63 |
| 1995 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1996 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1997 | 8.250 | 4.07 | 12.320 | 104.64 | 104.64 | 104.64 |
| 1998 | 8.500 | 4.07 | 12.570 | 106.76 | 106.76 | 106.76 |
| 1999 | 7.750 | 4.07 | 11.820 | 105.00 | 110.00 | 120.00 |
| 2000 | 8.500 | 4.07 | 12.570 | 168.59 ⁽⁴⁾ | 110.00 | 120.00 |
| 2001 | 9.000 | 4.07 | 13.070 | 166.03 ⁽⁴⁾ | 110.00 | 120.00 |
| 2002 | 4.750 | 4.07 | 8.820 | 105.00 | 110.00 | 120.00 |
| 2003 | 4.250 | 4.07 | 8.320 | 105.00 | 110.00 | 120.00 |
| 2004 | 4.000 | 4.07 | 8.070 | 105.00 | 110.00 | 120.00 |
| 2005 | 5.250 | 4.07 | 9.320 | 105.00 | 110.00 | 120.00 |
| 2006 | 7.500 | 4.07 | 11.570 | 105.00 | 110.00 | 120.00 |
| 2007 | 8.250 | 4.07 | 12.320 | 105.00 | 110.00 | 120.00 |
| 2008 | 6.000 | 4.07 | 10.070 | 105.00 | 110.00 | 120.00 |

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

(2) This is a discounted margin we have recently offered; if your margin is discounted, it may be by different amount.

(3) This ANNUAL PERCENTAGE RATE reflects a discount that we have recently provided' if your plan is discounted, it may be by a different amount.

(4) This payment reflects an adjustment to avoid negative amortization.