

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

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 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.

**MINIMUM PAYMENT REQUIREMENTS:** You can obtain credit advances, up to your specified credit limit as long as the plan remains open. The length of the plan is indefinite. You will be required to make monthly payments of 0.750% of the outstanding balance at the time of the most recent advance, or \$50.00, whichever is greater. Your payment will also 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. In most circumstances, if the interest rate increases, you will be required to make more payments until what you owe is repaid. However, under some circumstances your payment will not cover the finance charges (interest) that accrue and "negative amortization" will occur. If the interest rate increases so much that the minimum payment is not adequate to pay the accrued finance charges, we will recalculate your payment by increasing the payment to pay the interest that is due each month as follows. If the interest rate is equal to or less than 6.500% you will be required to make monthly payments of 0.750% of the outstanding balance. If the interest rate is greater than 6.500% and less than or equal to 10.500% you will be required to make monthly payments of 1.000% of the outstanding balance. If the interest rate is greater

than 10.500% and less than or equal to 14.000% you will be required to make monthly payments of 1.250% of the outstanding balance. If the interest rate is greater than 14.000% and less than or equal to 17.000% you will be required to make monthly payments of 1.500% of the outstanding balance. If the interest rate is greater than 17.000% and less than or equal to 17.950% you will be required to make monthly payments of 1.750% of the outstanding balance. If the interest rate decreases after we make an adjustment for negative amortization and negative amortization no longer occurs, your payment will be recalculated as described above. See example below.

|                  |          |          |          |          |          |
|------------------|----------|----------|----------|----------|----------|
| Loan Amount:     | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Interest Rate:   | 6.000%   | 8.000%   | 12.000%  | 15.000%  | 17.950%  |
| Payment Rate:    | 0.750%   | 1.000%   | 1.250%   | 1.500%   | 1.750%   |
| Minimum Payment: | \$75     | \$100    | \$125    | \$150    | \$175    |

**MINIMUM PAYMENT EXAMPLES.**

**0.000% Margin:** If you made only the minimum monthly payment and took no other credit advances it would take 14 years 9 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.000%. During that period, you would make 177 payments of \$75.00.

**2.000% Margin:** If you made only the minimum monthly payment and took no other credit advances, it would take 18 years 5 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 6.000%. During that period you would make 221 payments of \$75.00.

**FEES AND CHARGES:** You must pay certain fees to third parties to open the plan. These fees generally total between \$500 - \$1,500. You will be required to pay origination and third party fees for loan amounts greater than \$100,000. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

**FEE REIMBURSEMENT:** If the credit union waives any of the fees associated with the loan and you cancel the plan and close the line of credit within 2 years of the opening date, you agree to reimburse the credit union for the fees that were waived.

**PROPERTY INSURANCE:** You are required to maintain property insurance in a form and amount satisfactory to WEBER STATE CREDIT UNION. This insurance is required for any property that secures the loan. If the property is located in a Special Flood Hazard Area, we will require you to obtain flood insurance.

**REFUND ABILITY 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 that you may have already paid.

**TRANSACTION REQUIREMENTS:** The minimum credit advance that you can receive is \$5,000.00 for the first advance and \$100.00 for each subsequent advance.

**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) and the length of your plan will change as a result. 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 as of the last business day of the previous calendar month prior to 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 period statements that we send you.

**MARGIN:** The margin you receive is based on your FICO credit score.

**RATE CHANGES:** The annual percentage rate can change monthly on the first day of your billing cycle. There is no limit on the amount by which the annual percentage rate can change during any one year period except **During the Discount or Premium Period**. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 17.95% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3.600% at any time during the plan except **During the Discount or Premium Period**.

**MAXIMUM RATE AND PAYMENT EXAMPLES:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 17.950% would be adjusted so that negative amortization does not occur.

**HISTORICAL EXAMPLE:** The following table shows how the annual percentage rate and the maximum 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.

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 January) | Index (Percent) | Margin (Percent) | ANNUAL PERCENTAGE RATE | Monthly Payment (Dollars) |
|---|-----------------|------------------|------------------------|---------------------------|
| 1995  | 8.500           | 0.00 - 2.00      | 8.500 - 10.500         | 100.00                    |
| 1996  | 8.500           | 0.00 - 2.00      | 8.500 - 10.500         | 100.00                    |
| 1997  | 8.250           | 0.00 - 2.00      | 8.250 - 10.250         | 100.00                    |
| 1998  | 8.500           | 0.00 - 2.00      | 8.500 - 10.500         | 100.00                    |
| 1999  | 7.750           | 0.00 - 2.00      | 7.750 - 9.750          | 100.00                    |
| 2000  | 8.500           | 0.00 - 2.00      | 8.500 - 10.500         | 100.00                    |
| 2001  | 9.000           | 0.00 - 2.00      | 9.000 - 11.000         | 125.00                    |
| 2002  | 4.750           | 0.00 - 2.00      | 4.750 - 6.750          | 100.00                    |
| 2003  | 4.250           | 0.00 - 2.00      | 4.250 - 6.250          | 75.00                     |
| 2004  | 4.000           | 0.00 - 2.00      | 4.000 - 6.000          | 75.00                     |
| 2005  | 5.250           | 0.00 - 2.00      | 5.250 - 7.250          | 100.00                    |
| 2006  | 7.500           | 0.00 - 2.00      | 7.500 - 9.500          | 100.00                    |
| 2007  | 8.250           | 0.00 - 2.00      | 8.250 - 10.250         | 100.00                    |
| 2008  | 6.000           | 0.00 - 2.00      | 6.000 - 8.000          | 100.00                    |
| 2009  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2010  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2011  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2012  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2013  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2014  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |
| 2015  | 3.250           | 0.00 - 2.00      | 3.250 - 5.250          | 75.00                     |

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