

Walled Lake Schools Federal Credit Union
HOME EQUITY LINE OF CREDIT DISCLOSURE
Home Equity Line of Credit

LO Company NMLS ID **886008**
LO NMLS ID **441967**

1. **RETENTION OF INFORMATION.** This Disclosure contains important information regarding your Home Equity Line of Credit. You should read it carefully and retain a copy for your records.
2. **CONDITIONS FOR DISCLOSED TERMS.** All of the terms described below are subject to change prior to the opening of your Home Equity Line of Credit. If a disclosed term changes (other than the annual percentage rate) prior to the opening of your Home Equity Line of Credit, and you therefore elect not to enter into an agreement with us, you may receive a refund of all fees paid in connection with your application.
3. **SECURITY INTEREST AND RISK TO HOME.** We will acquire a security interest in your home. You could lose your home in the event you fail to meet the obligations contained in your agreement with us.
4. **POSSIBLE ACTIONS.** Under certain conditions, we may (a) terminate your Home Equity Line of Credit and require immediate payment in full of the entire outstanding balance in a single payment, as well as require certain fees to be paid that result from the termination; (b) prohibit additional extensions of credit or reduce your credit limit; and/or (c) as further detailed in your agreement with us, implement certain changes in your Home Equity Line of Credit.

If you ask, we will give you more specific information about when we can take these actions.

5. **PAYMENT TERMS.** You can obtain credit advances for **180** months. This is known as the "draw period". Payments during the draw period will be due monthly. The minimum monthly payment will include (a) late charges and any other charges authorized by the agreement, including, without limitation, any permissible expenses or advances incurred by us under the security instrument; (b) accrued but unpaid interest for prior billing cycles; and (c) an amount equal to the amount by which the account balance either exceeds the amount authorized by applicable law or the applicable credit limit. Paying only the minimum monthly payment will not reduce the principal outstanding on your Home Equity Line of Credit.

Upon the expiration of the draw period, you may not request further advances and you must pay the outstanding balance on your Home Equity Line of Credit, with accrued interest, in substantially equal periodic installments. This is known as the "repayment period" and will span a period of **180** months. Your minimum monthly payment will be an amount that will be sufficient to repay the unpaid and outstanding balance in full over the applicable repayment period at the then-current interest rate in substantially equal periodic installments. Each time the annual percentage rate changes, we will change your monthly payment by calculating the monthly payment amount that would be sufficient to repay the unpaid principal in full over the remaining term of the repayment period at the interest rate in substantially equal periodic installments. Your minimum payment during the repayment period will also include late charges and other charges authorized by our agreement.

If you made only the minimum monthly payment and took no other credit advances, it would take you **360** months to pay off a \$10,000.00 outstanding balance at an **ANNUAL PERCENTAGE RATE** of **7.500%** (a rate we have used recently but may not be your interest rate). During that time, you would make **180** payments of **\$62.50** followed by **180** payments of **\$92.70**. Ask us what current rates are available.

6. **FEES AND CHARGES IMPOSED BY US.** You must pay the following fees at closing to open, use and maintain your Home Equity Line of Credit:

Home Equity Line of Credit Disclosure (Flexible)

7. **FEES AND CHARGES IMPOSED BY THIRD PARTIES.** You must also pay certain fees at closing that may be imposed by persons other than us in order to open your Home Equity Line of Credit. The fees shown are approximate (depending on the amount of the credit limit applicable to your Home Equity Line of Credit):

Appraisal Fee \$0.00
Tax Service Fee \$0.00
Flood Certification \$0.00
Doc Prep APR \$75.00
Title insurance \$0.00
Recording fees \$0.00
Survey \$0.00

You must carry insurance on the property that secures your Home Equity Line of Credit.

Refundability of Fees. If you decide not to enter into an agreement with us within three days of receiving this disclosure and the Federal Reserve's Home Equity brochure, you are entitled to a refund of any fee you may have already paid.

8. **TAX IMPLICATIONS.** You should consult a tax advisor regarding the deductibility of interest and other charges under your Home Equity Line of Credit.

9. **VARIABLE RATE INFORMATION.** Your Home Equity Line of Credit has an interest rate that is variable, which means that the annual percentage rate (corresponding to a daily periodic rate) and the periodic payment may change as a result.

Simple Interest, minimum payment is 1% of outstanding balance with a monthly payment. The interest rate is variable based on prime.

The variable rate feature applies to both the draw period and to the repayment period of your term.

The annual percentage rate does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** during the draw period corresponds to the value of an "index." The Index is based on the **Wall Street Journal Prime Rate**, the base rate on corporate loans posted by at least 70% of the nation's largest banks. Information about the Index is published in the **Money Rates** section of the **Wall Street Journal**. The **ANNUAL PERCENTAGE RATE** will equal the value of the Index as of the date 45 days before each Change Date plus a margin

The **ANNUAL PERCENTAGE RATE** during the repayment period corresponds to the value of an "index." The Index is based on **WSJ Prime Rate**. Information about the Index is published in the **Money Rates** section of the **Wall Street Journal**. The **ANNUAL PERCENTAGE RATE** will equal the value of the Index as of the date 45 days before each Change Date plus a margin

Ask us for the current index value, margin, annual percentage rate, and maximum or minimum rate caps. After you open your Home Equity Line of Credit, rate information will be provided on periodic statements that we send you.

During the draw period, and after the initial interest rate is no longer in effect, the **ANNUAL PERCENTAGE RATE** may change **monthly**. As a result, your minimum payment can change **monthly** based on changes in the annual percentage rate. Your **ANNUAL PERCENTAGE RATE** cannot increase or decrease by more than **2.000%** at each change. Your minimum **ANNUAL PERCENTAGE RATE** will never be lower than **1.000%** and your

maximum **ANNUAL PERCENTAGE RATE** will be **15.000%**. Except for these "caps," there is no limit on the amounts by which the annual percentage rate may increase or decrease at any time over the life of your Home Equity Line of Credit.

During the repayment period, the **ANNUAL PERCENTAGE RATE** may change **monthly**. As a result, your minimum payment can change **monthly** based on changes in the annual percentage rate. Your minimum **ANNUAL PERCENTAGE RATE** will never be lower than **1.000%** and your maximum **ANNUAL PERCENTAGE RATE** will be **18.000%**. Except for these "caps," there is no limit on the amounts by which the annual percentage rate may increase or decrease at any time over the life of your Home Equity Line of Credit.

You should ask us about the rate limitations that are currently available.

Maximum Rate and Payment Examples: If the **ANNUAL PERCENTAGE RATE** during the draw period equaled the **15.000%** maximum and you had an outstanding balance of \$10,000.00, the minimum monthly payment during the draw period would be **\$125.00**. This annual percentage rate could be reached the first month after the initial interest rate is no longer in effect.

During the repayment period, the annual percentage rate may change. If you had an outstanding balance of \$10,000.00 at the time your Home Equity Line of Credit enters the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of **18.000%** would be **\$161.04**.

The following table illustrates how the annual percentage rate and the minimum payments for a single \$10,000.00 advance would have been affected by changes in the Index over the past 15 years. The Index values are from the first business day of January of each year. While only one payment amount is shown per year, payments would have varied throughout the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made each month, and that the rate remained constant during each year. The table does not necessarily reflect how the Index or your minimum payments may change in the future.

Year	Index	Margin*	ANNUAL PERCENTAGE RATE	Monthly Payments
Draw Period				
2011	3.500	1.000	4.500	37.50
2012	3.500	1.000	4.500	37.50
2013	3.500	1.000	4.500	37.50
2014	3.500	1.000	4.500	37.50
2015	3.500	1.000	4.500	37.50
2016	3.750	1.000	4.750	39.58
2017	4.500	1.000	5.500	45.83
2018	5.500	1.000	6.500	54.17
2019	4.750	1.000	5.750	47.92
2020	4.250	1.000	5.250	43.75
2021	3.250	1.000	4.250	35.42
2022	7.500	1.000	8.500	70.83
2023	8.500	1.000	9.500	79.17
2024	7.500	1.000	8.500	70.83
2025	7.500	1.000	8.500	70.83

* This is a margin we have used recently for other Home Equity Lines of Credit. Your margin may differ.

Detailed rate information for your Home Equity Line Of Credit will be provided on or with each periodic statement.

ACKNOWLEDGMENT

By signing below, you acknowledge receipt of this Home Equity Line of Credit Disclosure, as well as receipt of a copy of the Home Equity Brochure.

Signature

Date



Signature

Date



[Sign Originals Only]