



Cinfed Federal Credit Union
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IMPORTANT TERMS OF YOUR HOME EQUITY LINE OF CREDIT

Borrower (Last – First – Middle Initial)	Date	Loan Number
Co-Borrower (Last – First – Middle Initial)	Address	

This disclosure contains important information about Cinfed Credit Union's Home Equity Line of Credit. 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 paid to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a mortgage on your home. You could lose your home if you do not meet the obligations of your agreement with us.

POSSIBLE ACTIONS: We can terminate your line, require immediate repayment in full of any outstanding balance in a single payment and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with the line of credit.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line of credit.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- 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 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum ANNUAL PERCENTAGE RATE is reached.
- The home on which we filed our mortgage is no longer your residence.

The initial agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrences of specified events.

TERMS: During the first 10 years of the 20 year loan term, your Cinfed Home Equity loan is a line of credit. You can obtain credit advances for ten (10) years (the "Draw Period"). At our option, we may review or extend the draw period. After the Draw Period ends, you will no longer be able to obtain credit advances and you must pay the outstanding balance on your account over the remaining ten (10) years (the "Repayment Period").

MINIMUM PAYMENT REQUIREMENTS: During the Draw Period, payments will be due monthly. Your minimum payment will equal the finance charges (interest only) that accrued on the outstanding balance during the preceding month. Under this interest only payment option, the minimum payment will not reduce the principal that is outstanding on your line. When the Draw Period ends, the "Repayment Period" commences and you will no longer be able to obtain credit advances. At that time, your minimum monthly payment will be computed, at the beginning of the Repayment Period and each calendar quarter thereafter, to yield the level monthly payment amount necessary to fully amortize the outstanding balance over the remaining term at the current ANNUAL PERCENTAGE RATE.

MINIMUM PAYMENT EXAMPLES: If you took a single \$10,000 advance and the ANNUAL PERCENTAGE RATE was 4.00%: Under the monthly interest-only payment option, it would take 20 years to payoff the advance if you made only the minimum payments. During that period, you would make 120 payments of \$33.33, followed by 120 payments of \$101.25.

FEES AND CHARGES: To open and maintain a line of credit, you must pay us the fees that are checked below:

NA Application Fee: (due at application - This fee will be refunded to you if you decide not to open the plan within three days of receiving this disclosure.)

NA Document Preparation Fee \$00.00 (Due when the account is opened)

Annual maintenance fee: \$35.00*
(Due each anniversary year)

NA Other : \$0.00.

*The annual fee is waived for the first year. Annual fee does not apply if your first mortgage is with Cinfed.

You also must pay certain fees to third parties to open a line. These fees generally total between \$0.00 and \$0.00 . If you ask, we will give you an itemization of the fees you will have to pay to third parties.

MINIMUM LINE OF CREDIT: In order to open a Line of Credit you must be approved for a minimum credit line of \$5,000.00.

MINIMUM DRAW REQUIREMENTS:

The initial advance required is a minimum of \$5,000.

There are no minimum advance requirements.

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

Initials

Initials

VARIABLE-RATE FEATURE: The line has a variable-rate feature and the ANNUAL PERCENTAGE RATE (corresponding to the periodic rate) and the minimum payment can 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 highest Prime Rate published in the Wall Street Journal "Money Rates" Table. To determine the ANNUAL PERCENTAGE RATE that would apply to your line, we add a margin to the value of the index.

The initial ANNUAL PERCENTAGE RATE is "discounted" – it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for the first year your credit line is open.

The ANNUAL PERCENTAGE RATE is not discounted.

Ask us for the current index values, margin, and ANNUAL PERCENTAGE RATE. After you open a credit line, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The ANNUAL PERCENTAGE RATE can change quarterly on January 1, April 1, July 1 and October 1. This rate will remain in effect until the following quarter. The ANNUAL PERCENTAGE RATE will be rounded upward to the nearest one-eighth of one percent. The maximum ANNUAL PERCENTAGE RATE that can apply is 18%. The minimum ANNUAL PERCENTAGE RATE that will be charged is _____ %. The rate cannot **INCREASE OR DECREASE** more than 2% in any one Calendar Year.

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PREPAYMENT PENALTY: You may pay all or any part of your outstanding balance at any time without penalty.

MAXIMUM RATE AND PAYMENT EXAMPLES: If the ANNUAL PERCENTAGE RATE during the draw period equaled the 18% maximum and you had an outstanding balance of \$10,000, your minimum monthly interest only payment would be \$150.00. If you had an outstanding balance of \$10,000 during the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$180.19. This ANNUAL PERCENTAGE RATE could be reached during the first month of the Draw Period and the first month of the Repayment Period.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan against any loss or damage to the collateral.

HISTORICAL EXAMPLE: The following table shows how the ANNUAL PERCENTAGE RATE and the monthly 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 for the Prime Rate are from July of each year. While only one payment amount per year is shown, payments could vary each quarter.

The table assumes that no additional credit advances were taken, that only the minimum interest only payments were made each month, and that the rate remained constant during each year. It does not necessarily indicate how the indices or your outstanding balance will change in the future.

YEAR	INDEX %	MARGIN* %	ANNUAL PERCENTAGE RATE %	MONTHLY INTEREST ONLY PAYMENTS \$	MINIMUM PAYMENT \$
1999	7.75	0.50	8.25	68.75	
2000	9.50	0.50	10.00	83.33	
2001	6.75	0.50	7.25	60.42	
2002	4.75	0.50	5.25	43.75	
2003	4.00	0.50	4.50	37.50	
2004	4.25	0.50	4.75	39.58	
2005	6.25	0.50	6.75	56.25	
2006	8.25	0.50	8.75	72.92	
2007	8.25	0.50	8.75	72.92	
2008	5.00	0.50	5.50	45.83	
2009	3.25	0.75	4.00		101.25
2010	3.25	0.75	4.00		101.25
2011	3.25	0.75	4.00		101.25
2012	3.25	0.75	4.00		101.25
2013	3.25	0.75	4.00		101.25

*This is a margin we have used recently; your margin may be different.

THERE IS A THREE (3) DAY WAITING PERIOD PRIOR TO FUNDS BEING DISBURSED.

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THERE ARE THREE (3) PAGES TO THIS AGREEMENT, PLEASE READ ALL SECTIONS BEFORE SIGNING BELOW.

THIS NOTICE IS INTENDED FOR INFORMATION PURPOSES ONLY. IT IS NOT A COMMITMENT OR LOAN APPROVAL. IMPORTANT INFORMATION RELATING SPECIFICALLY TO YOUR LOAN WILL BE CONTAINED IN THE LOAN DOCUMENTS.

I acknowledge receipt of the disclosures set forth in "IMPORTANT TERMS OF YOUR HOME EQUITY LINE OF CREDIT", and the brochure "What you should know about Home Equity Lines of Credit".

Borrower

Date

Co-Borrower

Date