

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End 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 any of 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 paid to us or anyone else in connection with your application.

**Security Interest:** We will take a security interest in your home through a Mortgage or Deed of Trust. **You could lose your home if you do not meet the obligations in your agreement with us.**

**Possible Actions:**

**Termination and Acceleration**

*For Wisconsin Borrowers Only:*

We can terminate the Home Equity Open-end Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you fail to make a required payment when due two times within a twelve month period, or
- (b) your failure to observe the terms of this Plan materially impairs the condition, value, or protection of, or our rights in, the property securing this Plan

*For All Other Borrowers:*

We can terminate the Home Equity Open-end Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

**Suspension or Reduction**

*For All Borrowers:*

We can refuse to make additional extensions of credit or reduce your credit line if:

- (a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (c) you are in default of a material obligation of this Plan;
- (d) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.
- (g) *For Wisconsin Borrowers Only:* you engage in fraud or material misrepresentation in connection with the Plan;
- (h) *For Wisconsin Borrowers Only:* upon our receipt of a notice of termination under Wis. Stat. 766.565(5).

**Change in Terms**

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements:** You can obtain advances of credit for 10 year(s) (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest. During the draw period, the minimum payment will change whenever the annual percentage rate changes.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is 15 year(s). During the repayment period, payments will be due monthly. Your minimum monthly payment will equal an amortized payment of the loan account balance. This balance will be amortized over 180 months. During the repayment period, an increase in the Annual Percentage Rate will increase the amount of your minimum payments; however, a decrease in the Annual Percentage Rate will not decrease the amount of your minimum payment, with the result that the outstanding balance may be paid off in less than 15 years.

**Minimum Payment Example:** If you made only the minimum monthly payment and took no other credit advances, it would take 25 year(s) to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period, you would make 120 payments of \$70.83 followed by 179 payments of \$98.47, with a final payment of \$99.89.

**Fees and Charges:** To open and maintain an account, you must pay the following fees to us:

*Late Charges:* If a payment is 10 days or more late, you will pay a late charge of 6% of the payment due or \$25, whichever is greater.

*Over-the-Credit Limit Fee:* \$ 13 if you exceed your credit limit.

*Investigation Fee:* \$ 15 per hour.

*Reconveyance Fee:* \$ 145 due at payoff. If you are using proceeds from this line to pay a previous home equity loan, this fee will be added to your balance and will accrue interest.

To open your account, fees that are paid to third parties, such as appraisers, credit reporting firms, and government agencies, are paid by Technology Credit Union.

**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.

**Access to the Plan:** You may obtain advances under your plan in person, by mail, telephone, by transferring to your Technology Credit Union checking account, by check, or by overdraft.

**Overdraft Protection:** Upon your request and our approval, we may allow you to advance funds under this Plan to pay overdrafts. The conditions of your "Cancellation/Opt Out Form for Payment of Overdraft Items" and "What You Need to Know about Overdrafts and Overdraft Fees" govern all other terms of your overdraft protection plan.

**Convenience Checks:** We may, at our discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your account. By signing such check, you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your account. We do not have to pay any item (a) not signed by a joint borrower, (b) that is post-dated, (c) which would cause the outstanding balance in your account to exceed your credit limit, or (d) if items have been reported lost or stolen.

The use of a Convenience Check is treated as a Cash Advance for purposes of calculating Finance Charges. Special service requests (such as stop payment requests) on Convenience Checks will be subject to the same fees we charge for these services on checking accounts. Please refer to the current Technology CU Fee Schedule. In handling Convenience Checks, the following rules apply:

- To stop payment on a Convenience Check, you must submit a request at least 3 business days before the check clears; otherwise, we are not responsible for failing to

stop payment. Stop payment requests must identify the Convenience Check by check number and exact dollar amount. If the check number is incorrect or the dollar amount varies by even one penny, we may not be able to find the check and stop payment. We can ask you to confirm stop payment requests in writing and if you fail to do so, the stop payment request may lapse within 48 hours.

- We process Convenience Checks in an automated environment and do not physically examine signatures. You must report forged, unauthorized or altered convenience checks within 60 days after we send you the first statement on which they appear; otherwise we will have no responsibility for them.
- If Convenience Checks are lost or stolen, report the loss or theft to us immediately.

**Transaction Requirements:** There is no minimum requirement for initial advances or subsequent advances.

**Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges for this Plan.

**Refundability of Fees:** If you decide not to enter into this Plan within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

**Variable Rate Feature:** This Plan has a variable rate and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the Wall Street Journal on the fifteenth day of the month prior to the change (or the next business day, if the fifteenth is not a business day). To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your loan amount to the value of the index.

Ask us for the current index value, margins and **ANNUAL PERCENTAGE RATES**. After you open an account, rate information will be provided on periodic statements that we send you.

**Rate Changes:** The annual percentage rate can change monthly on the 24th day of each calendar month. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.00%. The **ANNUAL PERCENTAGE RATE** will not fall below 2.99% during the Plan. Other than the maximum and minimum rates listed in this Rate Changes provision, there is no limit on the amount by which the rate can change in any one year period.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. The maximum **ANNUAL PERCENTAGE RATE** could be reached during the draw period in the 1st month (1 month) following an initial hold of 1 day.

If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$161.04. The maximum **ANNUAL PERCENTAGE RATE** could be reached during the repayment period in the 2nd month (2 months).

**Prepayment:** Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that we do so. The following applies with regard to prepayment:

**Early Termination Fee; Lien:** If you pay your line in full and close the Plan within 36 months of the date you opened the Plan, you will have to pay an Early Termination fee of:

Following are the fees for the credit limit ranges:
\$500 = \$250,000 or less
\$750 = \$250,001-\$500,000
\$1,500 = \$500,001-\$750,000

We may take this fee from your savings or checking account or you may pay this fee in any other manner acceptable to us. The Early Termination Fee shall be secured by the Mortgage or Deed of Trust securing this Plan, and Technology Credit Union's Lien against the Property shall not be satisfied, nor the Mortgage or Deed of Trust released, until the Fee is paid in full. Additionally, the Fee will be added to the payoff amount (including the beneficiary's demand) and must be paid prior to the issuance of any reconveyance. This paragraph does not apply if the reason for the early termination is because you refinanced your first mortgage with the Credit Union's first mortgage department.

**Historical Example:** The following table shows how the 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 first Monday in April. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2011	3.25	1.00	4.25	\$35.42
2012	3.25	1.00	4.25	\$35.42
2013	3.25	1.00	4.25	\$35.42
2014	3.25	1.00	4.25	\$35.42
2015	3.25	1.00	4.25	\$35.42
2016	3.50	1.00	4.50	\$37.50
2017	4.00	1.00	5.00	\$41.67
2018	4.75	1.00	5.75	\$47.92
2019	5.50	1.00	6.50	\$54.17
2020	3.25	1.00	4.25	\$35.42
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2021 (2)	3.25	1.00	4.25	\$75.23
2022	3.50	1.00	4.50	\$76.42
2023	8.00	1.00	9.00	\$98.22
2024	8.50	1.00	9.50	\$100.67
2025	7.50	1.00	8.50	\$100.67

1. This is a margin we have used recently; your margin may be different and based on your loan amount.
2. The repayment period begins in this year.