

**Ent Credit Union**

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NMLSR ID # 405466

Line-of-Credit Predisclosure

LOAN ORIGINATOR NAME

NMLSR ID #

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 Deed of Trust on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:**Termination and Acceleration**

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

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.

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.

Types of Plans: We offer 2 different Home Equity Plans: a Variable Rate Plan and a Standard-Rate Plan, as follows:

1. Variable Rate Plan: The Variable Rate Plan has a variable Annual Percentage Rate for the term of the Plan. This means that the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment can change as a result. 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 'Money Rates' section of the Wall Street Journal as published on the third Tuesday of each month. If the Index is not published on that day, the most recently published Prime Rate before that day will be used. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness and Loan-to-Value (LTV) ratio 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. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

Rate Changes: Under the Variable Rate Plan, the **ANNUAL PERCENTAGE RATE** can change monthly on the first of each month if the Index changes. The **ANNUAL PERCENTAGE RATE** will never be higher than 12.9% or lower than 2.75%.

2. Standard-Rate Plan: The Standard-Rate Plan has a fixed **ANNUAL PERCENTAGE RATE** during the draw period. The Fixed Rate during the draw period will be equal to the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' section of the Wall Street Journal as published on the third Tuesday of the month ("Prime Rate"), plus a margin based on your creditworthiness and Loan-to-Value Ratio as of the date you open your Plan. The **ANNUAL PERCENTAGE RATE** will remain fixed until the start of the repayment period, at which time your **ANNUAL PERCENTAGE RATE** will adjust to the Prime Rate plus your margin as of the date the repayment period begins. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest. This new **ANNUAL PERCENTAGE RATE** will remain fixed during the repayment period. The **ANNUAL PERCENTAGE RATE** will never be more than 12.9% or less than 3.75%. An example of a fixed **ANNUAL PERCENTAGE RATE** that we have used recently is 8.49%. Your rate may be different; please contact us for the most current rates available.

Minimum Payment Requirements: You can obtain advances of credit for 10 year(s) under the Variable Rate Plan and for 5 year(s) under the Standard-Rate Plan (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment during the draw period will equal the amount of accrued interest together with any fees (e.g., late fees) incurred during the previous calendar month. After the draw period ends, you will no longer be able to obtain credit advances (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 be in an amount required to pay the outstanding balance in full in 180 equal monthly payments. The required minimum payment will be due on the 28th of each month. For the Variable Rate Plan, the minimum payment will change whenever the annual percentage rate changes in order for your loan to be paid in full during the repayment period.

Minimum Payment Examples:

Variable Rate Plan: If you made only the minimum monthly payment and took no other credit advances, it would take 25 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 120 payments of \$64.58 followed by 179 payments of \$94.13, with a final payment of \$93.41.

Standard-Rate Plan: 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 8.49% for the first 5 years followed by an **ANNUAL PERCENTAGE RATE** of 8.49% for the next 15 years. During that period, you would make 60 payments of \$70.75 followed by 179 payments of \$98.42, with a final payment of \$96.73.

Fees and Charges: In order to open and maintain an account, you must pay certain fees and charges. The following fees must be paid to us:

Late Charge: If your payment is more than 10 days late, you will be charged 5% of the minimum payment due or \$15.00, whichever is less.

You must also pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total approximately \$0-1,000.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

You must carry insurance (including mandatory flood insurance if required) on the property that secures this Plan.

Access to the Plan: You may obtain advances under this Plan in person, by mail, by telephone, or by a special home equity check.

Transaction Requirements: There is no minimum initial advance or subsequent advance requirement.

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 or accessing 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.

Maximum Rate and Payment Examples:

Variable Rate Plan: 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 12.9% would be \$107.50. The maximum annual percentage rate during the draw period could be reached in the 1st month.

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 12.9% would be \$125.87. The maximum annual percentage rate during the repayment period could be reached in the 1st month.

Standard-Rate Plan: 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 12.9% would be \$125.87. The maximum annual percentage rate could be reached in the 1st month.

Prepayment: You may prepay all or any amounts owing under this Plan without penalty.

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 third Tuesday in June.

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.

Variable Rate Plan:

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2011	3.25	0.25	3.50	\$29.17
2012	3.25	0.25	3.50	\$29.17
2013	3.25	0.25	3.50	\$29.17
2014	3.25	0.25	3.50	\$29.17
2015	3.25	0.25	3.50	\$29.17
2016	3.50	0.25	3.75	\$31.25
2017	4.25	0.25	4.50	\$37.50
2018	5.00	0.25	5.25	\$43.75
2019	5.50	0.25	5.75	\$47.92
2020	3.25	0.25	3.50	\$29.17
2021 (2)	3.25	0.25	3.50	\$71.49
2022	4.75	0.25	5.00	\$78.61
2023	8.25	0.25	8.50	\$95.55
2024	8.50	0.25	8.75	\$96.75
2025	7.50	0.25	7.75	\$92.31

1. This is a margin we have used recently; your margin may be different, and based on your creditworthiness and LTV Ratio.

2. The repayment period begins in this year.

Standard-Rate Plan:

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2011	3.25	0.99	4.24 (2)	\$35.33
2012	N/A	N/A	4.24 (2)	\$35.33
2013	N/A	N/A	4.24 (2)	\$35.33
2014	N/A	N/A	4.24 (2)	\$35.33
2015	N/A	N/A	4.24 (2)	\$35.33
2016 (3)	3.50	0.99	4.49	\$76.45
2017	N/A	N/A	4.49	\$76.45
2018	N/A	N/A	4.49	\$76.45
2019	N/A	N/A	4.49	\$76.45
2020	N/A	N/A	4.49	\$76.45
2021	N/A	N/A	4.49	\$76.45
2022	N/A	N/A	4.49	\$76.45
2023	N/A	N/A	4.49	\$76.45
2024	N/A	N/A	4.49	\$76.45
2025	N/A	N/A	4.49	\$76.45

1. This is a margin we have used recently; your margin may be different, and based on your creditworthiness and LTV Ratio.

2. This rate is fixed for the first 5 years of your Plan.

3. The repayment period begins in this year. This rate is fixed for the remainder of the repayment period. If your repayment period began in June, 2025, the **ANNUAL PERCENTAGE RATE** would be fixed at 8.49% (using an index of 7.50% and a margin of 0.99%).