



## HELOC EARLY DISCLOSURE AND IMPORTANT TERMS OF LINE OF CREDIT PLAN

This disclosure contains important information about the **San Diego County Credit Union ("SDCCU")** home equity line of credit account. You should read it carefully and keep a copy for your records.

**Availability of Terms.** All of the terms below are subject to change. If any of the following 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 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 your obligations set forth in your Home Equity Line of Credit Agreement and Disclosure (the "Agreement").

**Possible Actions.** Under certain circumstances, we may (1) terminate your line of credit, require you to pay us the entire outstanding balance in one payment and charge you certain fees; (2) refuse to make additional extensions of credit; and (3) reduce your credit limit.

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

**Minimum Payment.** You may obtain advances for **10** years. This period is called the "draw period." During the draw period your payments will be due monthly and will equal the periodic interest finance charges accrued on the outstanding balance during the billing period, plus any amount that is past due, plus any other finance charges imposed during the billing cycle. Your minimum monthly payment during the draw period will not reduce the principal that is outstanding on your line.

After the draw period ends, you will no longer be able to obtain advances and must pay the outstanding balance over the remaining **20** years (the "repayment period"). During the repayment period payments will be due monthly. Your minimum monthly payment will equal the balance outstanding at the end of the draw period, fully amortized over **240** months, plus any amount that is past due, plus all unpaid finance charges. During the repayment period your minimum monthly payment may increase or decrease based upon a change in the index value and the remaining balance outstanding on your account. However, at no point will your minimum monthly payment be less than the smaller of \$100.00 or the full outstanding balance that you owe.

**Minimum Payment Example.** If you took a single \$10,000 advance and the **ANNUAL PERCENTAGE RATE** was 6.750%, it would take 22 years and 4 months to pay off the advance if you made only the minimum payment. During the draw period you would make 120 monthly payments of \$56.25, followed by 147 monthly payments of \$100.00 during the repayment period, followed by one monthly payment of \$37.93.

### **Closing Costs.**

With the exception of your application fee, which will be paid to us at closing out of your line of credit, you will not be required to pay any closing costs to open your home equity line of credit (HELOC) except to the extent that such closing costs exceed \$1,175.00, provided, however, such costs may be reimbursable by you as set forth in the next paragraph. Those costs will be paid by SDCCU on your behalf, and will include fees described in Section 10 of your Home Equity Line of Credit Agreement and Disclosure. If you ask, we will give you a good faith itemization of these fees. You will be charged an annual maintenance fee, which is being separately disclosed to you. In addition, if we are required to perform certain services that include fees paid to third parties after the closing of your Home Equity Line of Credit, then we may charge you for those services and fees, and it will be your responsibility to pay those amounts. Examples of the post-closing fees you will be required to pay are also set forth in Section 10 of your Home Equity Line of Credit Agreement and Disclosure.

**Closing Cost Reimbursement:** If your HELOC is closed or refinanced within three years of origination, you will have to reimburse us for the closing costs that were paid by us on your behalf.

**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.

**Periodic Interest Finance Charge Accrual.** The periodic interest finance charge begins to accrue on the date that a Loan Advance is made from your Account.

**Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges on your line of credit.

**Variable Rate Information.** This line of credit has a variable rate of interest. The annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest finance charges and no other finance charges.

The annual percentage rate is based on the value of an index. The index is the highest "Prime Rate" as published in the "Money Rates" table of the online or print edition of *The Wall Street Journal*. To determine the annual percentage rate that will apply to your line, we add a margin ("Margin") to the value of the index. If the annual percentage rate is not already rounded, we then round to the nearest 0.125%. Ask us for the current index value, margin, discount, and annual percentage rate. After you open a line of credit, rate information will be provided in monthly billing statements that are sent to you.

**Rate Changes.** The annual percentage rate can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.000% at any time during the term of the plan. Ask us for the specific rate limitations that will apply to your credit line.

**Maximum Rate and Payment Example.** If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% 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 18.000% would be \$153.92. This annual percentage rate could be reached in 1 month.

**Historical Example.** The following table shows how the annual percentage rate and the monthly payments for a single \$25,000 advance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of June, of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional advances were taken, that only the minimum payment was made each month, 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.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2009	5.000	2.000	7.000	166.44
2010	3.250	2.000	5.250	138.13
2011	3.250	2.000	5.250	138.13
2012	3.250	2.000	5.250	138.13
2013	3.250	2.000	5.250	138.13
2014	3.250	2.000	5.250	138.13
2015	3.250	2.000	5.250	138.13
2016	3.500	2.000	5.500	142.03
2017	4.500	2.000	6.500	158.12
2018	4.750	2.000	6.750	162.25
2019	5.500	2.000	7.500	174.92
2020	3.250	2.000	5.250	138.13
2021	3.250	2.000	5.250	138.13
2022	4.000	2.000	6.000	149.89
2023	8.250	1.500	9.750	215.09
2024	8.500	2.000	10.500	229.99

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