JEANNE D'ARC CREDIT UNION
we share a common thread

IMPORTANT TERMS OF OUR ADVANTAGE HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Advantage Home Equity Line of Credit. You should read it carefully and keep a copy for your records.
If these terms change during the application process, 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 have paid to us or to anyone else in connection with your application.

All of the terms disclosed below are subject to change.

Security Interest - We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.
Possible Actions - We can terminate your line, require you to pay the entire outstanding balance in one payment, and charge you certain fees if:
(1) You engage in fraud or material misrepresentation in connection with the line.
(2) You do not meet the repayment terms.
(3) 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:

(1) The value of the dwelling securing the line declines significantly below its appraisal value for purposes of the line.
(2) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
(3) You are in default of a material obligation in the agreement.
(4) 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.
(5) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
(6) The maximum **ANNUAL PERCENTAGE RATE** is reached.

Property Insurance - You must carry homeowner's insurance on the property that secures this loan. A homeowner's insurance policy (or fire and extended coverage insurance policy) or binder in an amount equal to the lesser of the loan amount plus your first mortgage balance or replacement cost must be furnished at closing. The policy should name as mortgagee: **JEANNE D'ARC CREDIT UNION, ITS SUCCESSORS AND/OR ASSIGNS, AS THEIR INTEREST MAY APPEAR**

Minimum Draw and Balance Requirements: There is a minimum credit advance of $10,000.00 at account opening. After the minimum credit advance has been satisfied, there are no outstanding balance requirements.

Minimum Payment Requirements - You can obtain advances of credit for 10 years (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will be equal to the greater of (1) $50.00 or (2) INTEREST ONLY as calculated on the average daily balance for the billing period, plus any amount past due.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 10 years (the "repayment period"). During the repayment period, payments will be due monthly. Your minimum payment will be equal to 1/120th of the principal balance that was outstanding at the end of the draw period plus the **FINANCE CHARGES** that have accrued on the remaining balance; however, in no event shall the repayment be less than $50.00 monthly, excluding the final payment.

Minimum Payment Example - If you made only the minimum payments 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 5.75%.
- During the draw period you would make 120 payments ranging from $50.00 to $55.21.
- During the repayment period you would make 120 payments ranging from $82.96 to $130.94.

Maximum Rate and Payment Examples - If you had an outstanding balance of $10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be $138.08. This **ANNUAL PERCENTAGE RATE** could be reached during the first month of the draw period.

If you had an outstanding balance of $10,000 at the beginning of the repayment period, the first minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be $236.21. This **ANNUAL PERCENTAGE RATE** could be reached during the first month of the repayment period. If no other payments and no other extensions of credit were made, the $10,000 loan would be repaid in 10 years.

Late Charges – If you do not pay the full amount of any monthly payment by the end of 15 calendar days after the date it is due, you will pay a late charge of 10% of the outstanding balance, or $10.00, whichever is less.

Fees and Charges - There are no fees or charges to open and maintain a line of credit except under the following circumstances:

(1) If you do not qualify for your loan based on our evaluation of your home, we may allow you to obtain a qualified appraisal of your home. The appraiser must be selected by us from our Approved Appraiser List. The charge for an appraisal is generally $475.00 for a single-family residence and $675 for a multi-family residence. Actual fee determined by appraiser when assigned.

(2) **If you close your line of credit within 24 months of the open date an "EARLY CLOSE-OUT FEE" OF UP TO THE LESSER OF $400.00 OR THE MAXIMUM AMOUNT ALLOWED BY LAW MAY BE IMPOSED.**

The following Closing Costs <u>are paid for by the Credit Union</u> when establishing a new HELOC:
Doc Prep ($38.85), Flood Certification ($12.75), Hazard Tracking ($45.00), Credit Report Fee ($0.00-$348.00),
Title Exam and Recording NH ($250.00)/MA ($300.00), Automated Valuation ($0 -$160.00), Property Condition Report ($50).

Tax Deductibility - You should consult a tax advisor regarding the deductibility of interest and charges for the line.

Variable Rate Information - 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 Prime Rate published in the Money Rates section of the Wall Street Journal (If more than one Prime Rate is available, the higher shall be used), on the first business day of the month. To determine the **ANNUAL PERCENTAGE RATE**, we add a margin of minus ONE PERCENT (-1.00%) to the value of the index and round up to the nearest 1/8th of one percent.

A recent **ANNUAL PERCENTAGE RATE** was 5.75%.

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 each month. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.00% and the minimum **ANNUAL PERCENTAGE RATE** will never go below 4.50%. Other than this maximum and minimum **ANNUAL PERCENTAGE RATE**, there is no limit on the amount by which the rate can change during any one-year period.

<u>Variable Rate Historical Example</u>

The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum 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 are from the last business day in January of each year. While only one payment amount per year is shown, payments would have varied during each year.

This table assumes that no additional credit advances are taken, that only the minimum payments were made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index of your payments will change in the future.

YEAR	INDEX*	MARGIN	ANNUAL PERCENTAGE RATE	MINIMUM MONTHLY PAYMENT
2012	3.25	-1.00	4.50	$50.00
2013	3.25	-1.00	4.50	$50.00
2014	3.25	-1.00	4.50	$50.00
2015	3.25	-1.00	4.50	$50.00
2016	3.50	-1.00	4.50	$50.00
2017	3.75	-1.00	4.50	$50.00
2018	4.50	-1.00	4.50	$50.00
2019	5.50	-1.00	4.50	$50.00
2020	4.75	-1.00	4.50	$50.00
2021	3.25	-1.00	4.50	$50.00
2022***	3.25	-1.00	4.50	$95.07
2023	7.50	-1.00	6.50	$102.96
2024	8.50	-1.00	7.50	$103.40
2025	7.50	-1.00	6.50	$94.29
2026	6.75	-1.00	5.75	$87.38

*Index = Prime Rate published in the Money Rates section of the Wall Street Journal
The **ANNUAL PERCENTAGE RATE shown is reflective of the floor rate of 4.50%.
*** The repayment period begins this year

Fixed Rate/Fixed Term Conversion Option Information - You may convert all or a portion (minimum of $5,000) of your outstanding line of credit balance to a fixed rate and fixed term loan.

The **ANNUAL PERCENTAGE RATE** of the conversion loan is based on the value of an index. The index is equal to the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of ten years, as published weekly in the Wall Street Journal. We use the last index published in the month prior to the conversion. To determine the **ANNUAL PERCENTAGE RATE**, we add a margin to the value of the index and round up to the nearest 1/8th of one percent. The margin that is added is based on the term of the conversion loan. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.00%.

Margin to be added		
Loan term in months	=	Margin
1 – 36	=	1.00%
37 – 60	=	2.00%
61 – 120	=	3.00%
121 – 180	=	4.00%

<u>Formula to Calculate **ANNUAL PERCENTAGE RATE**</u>
Index + Applicable Margin = **ANNUAL PERCENTAGE RATE**

The fixed loan portion of the account will continue to be secured by the mortgage. You may have up to five fixed rate loans outstanding at one time. **<u>Your line of credit will be reduced by the amounts of the fixed rate loans</u>**. As principal is repaid on your fixed rate loans, the available credit on your line of credit will be increased by the amount of repayment.

<u>RECEIPT OF A COPY OF THIS DISCLOSURE IS ACKNOWLEDGED</u>

NAME	DATE	NAME	DATE
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