



Eagle Community Credit Union
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IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINE OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF.

Availability of Terms

All 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/Deed of Trust on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Mortgages/Deeds of Trust senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120.00% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Minimum Payment Requirements

You can obtain credit advances for 180 months (the draw period). During the draw period, payments will be due on a monthly basis. During the draw period, your Minimum Periodic Payment will be established at the close of each billing cycle, at the then-current interest rate, to the amount necessary to fully amortize your then outstanding balance over a 180-month period, subject to the lesser of \$50.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and must repay your outstanding account balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance, but in no event exceed 180 months. During the repayment period, your Minimum Periodic Payment will be established on the first day of the repayment period, and subsequently at the close of each billing cycle thereafter, to the amount necessary to fully amortize your then outstanding principal balance, at the then-current interest rate by the Agreement Maturity Date, subject to the lesser of \$50.00 or your Account balance.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 360 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 8.50%. You would make 180 monthly payments varying between \$98.47 and \$60.00 during the draw period, followed by 179 monthly payments of \$59.83, and a final payment of \$60.83, during the repayment period.

Fees and Charges

During the draw period, the account is subject to an annual fee of \$75.00 that will be assessed beginning on the first anniversary of the opening of the account, and on that same date each year thereafter during the remainder of the draw period. The fee is required each year of the draw period in order to continue credit availability, whether or not you access such credit.

To open a line of credit you may also have to pay certain fees to third parties. The fees you may have to pay to third parties generally total from \$0.00–\$1,500.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan. As a condition of obtaining credit, we will not require you to provide such insurance in an amount that exceeds the replacement value of the Security Property.

Tax Deductibility

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

Variable-Rate

This plan has a variable-rate feature and the Annual Percentage Rate (corresponding to the periodic rate), and the amount of your regularly scheduled payments during the draw and repayment periods can all change as a result. Following the expiration of the Introductory Rate period, the Annual Percentage Rate is based on the value of an index. The index is the Prime Rate in effect on the day the introductory rate period expires, and subsequently on the 3rd Thursday of the last month of each calendar quarter. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. 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 periodic statements that we send you.

Automatic Payment Preferential Margin

If you agree to make your scheduled payments automatically from your share draft account, we will reduce your margin by one-quarter of one percentage point (0.25%) from the margin amount that you would otherwise receive (the standard margin). If for any reason the scheduled payment cannot be made automatically, then the margin will immediately increase by the amount of the applicable reduction to the standard margin. This change will increase the Annual Percentage Rate that will apply to your account.

Employee Preferential Margin

If you meet the employee eligibility requirements established by us, we will reduce your margin by one-half of one percentage point (0.50%) from the margin amount that you would otherwise receive (the standard margin). You further understand and agree that if at any time you no longer meet the employee eligibility requirements established by us, then the preferential margin will immediately increase by the amount of such applicable reduction to the standard margin. This change will increase the Annual Percentage Rate that will apply to your account.

Introductory Discounted Rate

Your account is subject to a discounted introductory rate for the 12-month period immediately following the date your account is established. The **ANNUAL PERCENTAGE RATE** that will apply to your account during that period is 5.99%*. Following the expiration of the introductory discounted rate period, your account will be subject to the variable rate provisions described herein. The initial Annual Percentage Rate is discounted, and is not based on the index and margin used for later rate adjustments.

*This represents an Introductory Rate we have recently used.

Rate Changes

Your Annual Percentage Rate can change on the day the introductory discounted rate expires, and quarterly thereafter. Following the expiration of the introductory discounted rate period, and subject to the minimum and maximum Annual Percentage Rates that can apply at any time to your account, there is no limit on the amount your interest rate can increase or decrease in any one-year period. The minimum **ANNUAL PERCENTAGE RATE** at any time is three and one-half percent (3.50%). The maximum **ANNUAL PERCENTAGE RATE** at any time is eighteen percent (18.00%).

Maximum Rate and Payment Examples

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$161.06. This Annual Percentage Rate could be reached during the 13th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$161.06. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example

The following tables show how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2010. The index is from The Wall Street Journal and is calculated on the first business day of October of each year. While only one payment amount per year is shown, payments may have varied during the year. The tables assume that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin (1)	ANNUAL PERCENTAGE RATE	Payment Period	Minimum Payment
2010	3.25	0.50	5.99%(2)	DRAW	\$84.33
2011	3.25	0.50	3.75%	DRAW	\$69.78
2012	3.25	0.50	3.75%	DRAW	\$66.38
2013	3.25	0.50	3.75%	DRAW	\$63.15
2014	3.25	0.50	3.75%	DRAW	\$60.08
2015	3.25	0.50	3.75%	DRAW	\$57.16
2016	3.50	0.50	4.00%	DRAW	\$55.31
2017	4.25	0.50	4.75%	DRAW	\$55.39
2018	5.25	0.50	5.75%	DRAW	\$56.48
2019	5.00	0.50	5.50%	DRAW	\$53.27
2020	3.25	0.50	3.75%	DRAW	\$50.00(3)
2021	3.25	0.50	3.75%	DRAW	\$50.00(3)
2022	6.25	0.50	6.75%	DRAW	\$50.00(3)
2023	8.50	0.50	9.00%	DRAW	\$53.24
2024	8.00	0.50	8.50%	DRAW	\$50.07

(1) This represents a margin (which we have recently used).
(2) This represents the introductory rate (which we have recently used).
(3) This represents the minimum payment.