

FORT BILLINGS FEDERAL CREDIT UNION
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LOANLINER

REAL ESTATE LENDING



POWERED BY
CUNA MUTUAL
GROUP

HOME EQUITY EARLY DISCLOSURE

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of 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 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 pay to 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 the obligations in your agreement with us.

POSSIBLE ACTIONS: We can terminate your line, require you to pay us 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 plan; (2) you do not meet the repayment terms of this plan, or (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) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 2 or 4 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends and the length of the draw period you choose. You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 10 years (2 year draw period) or 15 years (4 year draw period) will be used to calculate your payment. At closing you will choose the draw period/payoff period that will apply to your plan.

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance within the payoff period. Your payment will be rounded up to the nearest ten dollars. Your payment will remain the same unless you obtain another credit advance. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe.

MINIMUM PAYMENT EXAMPLE – 2 Year Draw/10 Year Payoff Period: If you made only the minimum monthly payment and took no other credit advances it would take 9 years 4 months to pay off a credit advance of \$10,000 at an **ANNUAL**

PERCENTAGE RATE of 6.49%. During that period, you would make 111 payments of \$120.00 and one (1) final payment of \$11.20.

MINIMUM PAYMENT EXAMPLE – 4 Year Draw/15 Year Payoff Period: If you made only the minimum monthly payment and took no other credit advances it would take 13 years 2 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.49%. During that period, you would make 157 payments of \$100.00 and one (1) final payment of \$33.64.

FEES AND CHARGES: You must pay certain fees to third parties to open the plan. These fees generally total between \$0.00 and \$400.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

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.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

TRANSACTION REQUIREMENTS: The minimum credit advance that you can receive is \$5,000.00 for the first advance and \$1,000.00 for each subsequent advance.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

ADDITIONAL HOME EQUITY PLANS: Please ask us about our other available home equity line of credit plans.

ANNUAL PERCENTAGE RATE INFORMATION: The **ANNUAL PERCENTAGE RATE** under this Plan is not based on an Index. It is based upon a fixed rate, which will be specified either at the time you receive a commitment or at closing, and will be based upon the market conditions at that time. An **ANNUAL PERCENTAGE RATE** of 6.49% for the 2 Year Draw/10 Year Payoff Period option; and 7.49% for the 4 Year Draw/15 Year Payoff Period option are representative of fixed rates recently offered by us under this Plan. The annual percentage rate does not include costs other than interest. Please ask us for the current annual percentage rate under this Plan.

FEES, CHARGES AND REIMBURSEMENT: There are some third party fees associated with opening this plan. These fees generally range between \$0.00 and \$500.00. The Credit Union may pay these fees on your behalf, but you will be required to reimburse the Credit Union if you close your line of credit plan within 6 months from its opening. If you ask, we will provide you with an itemization of the fees you may have to pay to third parties.