

**TECH CREDIT UNION
10951 BROADWAY
CROWN POINT, INDIANA 46307**

IMPORTANT TERMS OF OUR FLEX HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Flex Home Equity Line of Credit. 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 prior to the opening of your Flex Home Equity account. 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 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 us the entire outstanding balance in one payment if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.

- You are in default of a material obligation in the agreement.
- 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.

- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum **ANNUAL PERCENTAGE RATE** is reached.

Minimum Payment Requirements: The length of the Draw period is ten (10) years. During this time you may obtain advances. At our option we may renew or extend the Draw period. After the Draw period ends you will no longer be able to obtain advances and the Repayment period will begin. During the Draw period your monthly payment will be 1.250% of the principal loan balance adjusted when an advance is made. Your payment will remain the same until you obtain another advance. After the Draw period ends you will no longer be able to obtain advances and must repay the outstanding balance over 120 monthly statement periods (Repayment period). Your monthly payment during the repayment period will be the amount owed at the end of the draw period amortized over 120 months.

Your payment may change if the **ANNUAL PERCENTAGE RATE** had increased so much that your payment is not sufficient to repay the balance within the repayment period. Your minimum payment will include any amounts past due or any amounts by which you have exceeded your credit limit and all other charges.

Minimum Payment Example: If you made only the minimum payment and took no other credit advances, it would take eight (8) years and 2 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.000%. You would make 97 monthly payments of \$125.00 during the Draw period. You would make a final payment of \$64.34.

Fees and Charges: You must carry insurance on the property that secures this loan.

Third Party Fees: You may be required to pay certain fees to third parties. These fees generally total between \$450.00 and \$550.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

An early termination fee of \$450.00 or 2% of the outstanding principal balance, whichever is less, will be charged if your account is paid in full and closed within the first 36 months after the contract date.

Transaction Requirements: The minimum amount of the first draw is \$10,000.00. The minimum draw you can receive after the first draw is \$500.00.

Refundability of Fees: If you decide not to enter into this Plan within 3 days of receiving this disclosure and Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

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

Variable-Rate Feature: This plan has a variable-rate feature and the **ANNUAL PERCENTAGE RATE** may change (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.

Description of Index: The index is the highest Prime Rate as published in the Money Rates section of the *Wall Street Journal*.

Source of Index: The index is published in the *Wall Street Journal*. If the index is no longer available, we will choose a new index which is based on comparable information. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your line, we add a margin to the value of the index.

The initial annual percentage rate is discounted - it is not based on the index and margin used for later rate adjustments. The initial rate is fixed and will be in effect for twelve (12) months.

Ask us for the current index value, margin, discount 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 monthly after remaining fixed for the first twelve (12) months. There is no limit by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the Plan is 15.000%. However under no circumstances will your **ANNUAL PERCENTAGE RATE** go below the minimum rate disclosed to you in your Flex Home Equity Line of Credit Agreement at any time during the term of the plan.

Maximum Rate and Payment Examples: If you had an outstanding balance of \$10,000.00 at the beginning of the Draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.000% would be \$125.00. This **ANNUAL PERCENTAGE RATE** could be reached after the thirteenth month of the Draw period. If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.000% would be \$161.33. This **ANNUAL PERCENTAGE RATE** could be reached after the first month of the repayment period.

HISTORICAL EXAMPLE: The following table shows how the annual 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 first business day of January of each year. While only one payment per year is shown, payments may have varied during each year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, 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 | | MINIMUM PAYMENT (\$) |
|------|-----------|-------------|-------------------|--|----------------------|
| | | | | | |
| 2004 | 4.000 | 0.000 | 5.000*** | | 125.00 |
| 2005 | 5.250 | 0.000 | 5.000*** | | 125.00 |
| 2006 | 7.250 | 0.000 | 5.250 | | 125.00 |
| 2007 | 8.250 | 0.000 | 7.250 | | 125.00 |
| 2008 | 7.250 | 0.000 | 8.250 | | 125.00 |
| 2009 | 3.250 | 0.000 | 7.250 | | 125.00 |
| 2010 | 3.250 | 0.000 | 5.000*** | | 125.00 |
| 2011 | 3.250 | 0.000 | 5.000*** | | 125.00 |
| 2012 | 3.250 | 0.000 | 5.000*** | | 125.00 |
| 2013 | 3.250 | 0.000 | 5.000*** | | |
| 2014 | 3.250 | 0.000 | 5.000*** | | |
| 2015 | 3.250 | 0.000 | 5.000*** | | |
| 2016 | 3.500 | 0.000 | 5.000*** | | |
| 2017 | 3.750 | 0.000 | 5.000*** | | |
| 2018 | 4.500 | 0.000 | 5.000*** | | |

* This is a margin we have used recently; your margin may be different. The margin that you receive is based on the amount of equity in your property and your credit score. For instance we have recently offered a margin of 0% if the loan to value is 80% or less and a margin of +1.50% if the loan to value exceeds 80%. Please ask us for the margin you qualify for. You may receive a different margin than what appears in the Historical Example.

*** This rate reflects a minimum Annual Percentage Rate of 5.000%.

THIS IS NOT A COMMITMENT TO MAKE A LOAN.

I/We hereby acknowledge receipt of this disclosure and a copy of the home equity brochure or comparable publication provided by the lender.

(Recipient) Date (Recipient) Date