



IMPORTANT TERMS OF YOUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End 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 any of 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 paid to us or anyone else in connection with your application.

Security Interest: We will take a Security Interest on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:

Termination and Acceleration

For Wisconsin Borrowers Only:

We can terminate the Home Equity Open-end Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you fail to make a required payment when due two times within a twelve month period, or
- (b) your failure to observe the terms of this Plan materially impairs the condition, value, or protection of, or our rights in, the property securing this Plan

For All Other Borrowers:

We can terminate the Home Equity Open-end Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

Suspension or Reduction

For All Borrowers:

We can refuse to make additional extensions of credit or reduce your credit line if:

- (a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (c) you are in default of a material obligation of this Plan;
- (d) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.
- (g) *For Wisconsin Borrowers Only:* you engage in fraud or material misrepresentation in connection with the Plan;
- (h) *For Wisconsin Borrowers Only:* upon our receipt of a notice of termination under Wis. Stat. 766.565(5).

Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

Minimum Payment Requirement: You can obtain advances of credit for 15 years (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will be equal to 1.0% of the principal loan account balance at the time you obtain an advance, or \$50, whichever is greater. After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is 15 years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal 1.4% of the principal loan account balance or \$50 whichever is greater. The minimum monthly payments may not be sufficient to fully repay the principal on your line by the end of the draw and repayment periods. If they are not, you will then be required to pay the entire balance in a single payment. Your minimum monthly payment will not change as the Annual Percentage Rate increases or decreases.

Lock Feature: During the Draw Period, we may periodically offer to "lock in" or convert a portion of your variable-rate outstanding balance to a fixed Annual Percentage Rate over a set term. If this feature is offered, you may select the fixed rate and term of your lock feature from a list of rates and terms provided to you at the time you exercise this option. The minimum amount that may be locked is \$5,000.00 and the maximum term of the lock feature is 15 years. Depending on the rate and term chosen, an origination fee may apply to the balance of the locked portion and if so this fee will be disclosed at the time that the lock feature is exercised. The minimum payment requirement for the locked-in balance is equal to that amount required to repay the balance in equal periodic installments during the term selected. We will provide you with the new payment terms of the locked-in balance at the time you lock-in. Locking in will only fix the rate and term that applies to that portion of the existing balance selected; future advances will be subject to the variable rate feature according to the terms of the Plan. As the Locked balance is paid down, additional credit will become available, up to the applicable credit limit. There is no limit to the number of times that the lock feature may be exercised, but you may only have 2 locked-in balances at one time. We reserve the right to discontinue this feature at any time without notice. If this feature is discontinued, the balances that have already been locked will continue to be locked at the rates and terms selected.

Negative Amortization: Under some circumstances, your payments may not cover the **FINANCE CHARGES** that accrue and "negative amortization" will occur. Negative amortization will increase the amount that you owe us and reduce your equity in your home. **NOTE:** In order to avoid negative amortization, we may adjust your minimum required payment during the draw period from 1.0% to 1.4% of the principal loan account balance, or \$50, whichever is greater.

Balloon Payment: This Plan has a balloon payment feature. This means that your minimum monthly payment will not fully repay the loan, and **you will be required to pay the entire outstanding balance in one lump sum** if you terminate the Plan.

You further understand and acknowledge that we are under no obligation to refinance the balloon payment when it becomes due. You will be required to make the payment out of your own assets, or find another lender willing to lend you the money. If you refinance the balloon, you may have to pay closing costs normally associated with a new loan.

You understand and acknowledge that we have other, fully amortizing loan program options that will pay the loan off in equal installments by the end of the loan term, and you are not obligated to choose a balloon loan.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 14 years and 2 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.25%. During that period, you would make 169 monthly payments of \$100.00, with a final payment of \$76.63.

Lock Feature: If you exercised the optional Lock Feature and converted \$10,000 to a fixed rate of 5.00% and a term of 15 years, it would take you 15 years to pay off the balance. During that period, you would make 179 monthly payments of \$79.08 with a final payment of \$78.96.

Fees and Charges: To open and maintain an account, you will be required to pay an origination fee of \$495.00. You may be required to pay certain fees and charges to third parties such as attorneys, appraisers, credit reporting firms, and government agencies, and any other applicable third party. These fees range from \$0.00 to \$1,000.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties. You will be charged a late fee if your payment is not received within 15 days of the Payment Due Date shown on your billing statement. If your payment is late or we do not receive at least the minimum payment, we may charge you a late charge equal to 4% of the late payment. You will be charged a \$30.00 Non-sufficient Funds Fee if you pay your account with an insufficient funds check. You will be charged an Over the Credit Limit Fee of \$30.00 if you request an advance that would exceed your credit limit.

Disclosure of Right to Receive a Copy of Appraisals: We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your cost.

Mortgage Taxes: If you reside in a state or county that charges a mortgage or other real estate related tax, you will be required to pay that tax charged by your local jurisdiction. States that charge mortgage-related taxes include, but are not limited to: Alabama, Florida, Georgia, Hawaii, Kansas, Maryland, Minnesota, New York, Oklahoma, Tennessee, and Virginia. The amount of tax can range from .10% of the loan amount to 1.75% of the loan amount. Ask a Sharonview representative about the specific amount of tax charged in your jurisdiction.

Discount Waiver: The Credit Union may provide discounts on the **ANNUAL PERCENTAGE RATES** offered for the Home Equity Open-End Credit Plan based on the use of other Credit Union services you may have with us. If my use of such services is discontinued for any reason, then the discount will terminate and the APR will revert back to the APR then in effect. Ask us about APR discounts that may be currently in effect.

Property Insurance: You must carry property insurance on the property that secures this plan.

Transaction Requirements: You may obtain advances under this Plan in person at the credit union, by phone, online, by mail or with any future access devices we issue to you for accessing this Plan. There is no minimum advance amount if requested via debit card or online. All other methods require a minimum \$500.00 advance.

Overdraft Protection: Upon your request and our approval, we may allow you to advance funds under this Plan to pay overdrafts.

Prepayment: You may prepay all or any amounts owing under this Plan without penalty.

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

Initial Discount Rate: An initial discounted rate may be available under this Plan. Ask us for more information regarding your initial discount.

Refundability of Fees: If you decide not to enter into this Plan within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

Variable Rate Feature: This Program has a variable rate feature during the entire life of the plan unless a fixed-rate promotional rate is offered. This means that the **ANNUAL PERCENTAGE RATE** can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' column of the Wall Street Journal as published on the last business day of the month. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your credit performance and Loan-to-Value (LTV) Ratio to the value of the index.

Ask us for the current index value, margins and **ANNUAL PERCENTAGE RATES**. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The **ANNUAL PERCENTAGE RATE** can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the Plan is 18%. The minimum **ANNUAL PERCENTAGE RATE** that can apply is 2%.

Maximum Rate and Payment Example: 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 18% would be \$100.00. This **ANNUAL PERCENTAGE RATE** could be reached in the second month following an initial hold of zero days. 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 18% would be \$140.00. This **ANNUAL PERCENTAGE RATE** could be reached in the 2nd month (2 months).

Historical Example: The following table shows how the 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 last business day in October.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2010	3.25	0.25	3.50 (2)	\$100.00
2011	3.25	0.25	3.50	\$100.00
2012	3.25	0.25	3.50	\$100.00
2013	3.25	0.25	3.50	\$100.00
2014	3.25	0.25	3.50	\$100.00
2015	3.25	0.25	3.50	\$100.00
2016	3.50	0.25	3.75	\$100.00
2017	4.25	0.25	4.50	\$100.00
2018	5.25	0.25	5.50	\$100.00
2019	4.75	0.25	5.00	\$100.00
2020	3.25	0.25	3.50	
2021	3.25	0.25	3.50	
2022	6.25	0.25	6.50	
2023	8.50	0.25	8.75	
2024	8.00	0.25	8.25	
(3)				

(1) This is a margin we have used recently; your margin may be different and will be based on your credit performance and LTV Ratio.

(2) There may be a discounted rate for a period of time within the first year.

(3) The Repayment Period begins in the 16th year.