

IMPORTANT TERMS OF OUR 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 in your home through a Deed of Trust. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:

Termination and Acceleration

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

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.

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 Requirements: You can obtain credit advances for 20 years. During this period payments will be due monthly. Your minimum monthly payment will equal the greater of \$50.00 or an amortized payment of the loan account balance on the last day of the billing cycle for the last billing cycle in which an advance was made. This balance will be amortized over 360 months. The minimum payment may change each time you make an advance and whenever the annual percentage rate changes. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit at the end of 20 years. If they are not, you will, to the extent permitted by law, be required to pay the entire balance in a single balloon payment.

Balloon Payment: The minimum payment may not reduce the principal that is outstanding on your line by the final payment date. You will then be required to pay the entire balance in a single "balloon" payment. You will also be required to immediately pay the entire balance in a balloon payment if you terminate your Plan. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you money. If you refinance the balloon, you may have to pay some or all of the closing costs normally associated with a new loan.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 20 year(s) to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 9.25%. During that period, you would make 239 payments of \$82.27, with a final balloon payment of \$6,506.17.

Fees and Charges: To open and maintain an account, you must pay the following fees to us:

Late Charges: If a payment is more than 10 days late, you will be charged \$25.00.

Non-Sufficient Funds Fee: \$35.00

Foreign Transaction Fee: Credit card transactions processed outside the United States will be charged a fee of 2% of the transaction amount.

To open your account, you must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total between \$100.00-\$1,000.00. Upon request, we will provide you with an itemization of the fees you will have to pay to 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.

Access to the Plan: You may obtain advances under your plan by telephone, in person, by MasterCard credit card, by check, or by online balance transfer.

Transaction Requirements: There is no minimum requirement for initial advances. There is a minimum of \$100.00 for subsequent advances.

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

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 Plan has a variable rate and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment 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' section of the Wall Street Journal. We will use the most recent index available to us as of the 25th of the month. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness 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 on the first of each month. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18%. The **ANNUAL PERCENTAGE RATE** will not fall below 4.25% during the Plan.

Maximum Rate and Payment Example: If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$150.71. The maximum Annual Percentage Rate could be reached in the 1st month (1 month).

Prepayment: Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that we do so. The following applies with regard to prepayment:

Early Closure Fee; Lien: If you pay your line in full and close the Plan within 36 months of the date you opened the Plan, you will have to pay an Early Closure fee of \$250.00. We may take this fee from your savings or checking account or you may pay this fee in any other manner acceptable to us. The Early Closure Fee shall be secured by the Mortgage or Deed of Trust securing this Plan, and Credit Union West's lien against the Property shall not be satisfied, nor the Mortgage or Deed of Trust released, until the fee is paid in full.

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 first Monday in October. If the first Monday is a holiday then the index values are from the first business day following that Monday.

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)
2009	3.25	0.75	4.25 (2)	\$50.00
2010	3.25	0.75	4.25 (2)	\$50.00
2011	3.25	0.75	4.25 (2)	\$50.00
2012	3.25	0.75	4.25 (2)	\$50.00
2013	3.25	0.75	4.25 (2)	\$50.00
2014	3.25	0.75	4.25 (2)	\$50.00
2015	3.25	0.75	4.25 (2)	\$50.00
2016	3.50	0.75	4.25	\$50.00
2017	4.25	0.75	5.00	\$52.12
2018	5.25	0.75	6.00	\$56.76
2019	5.00	0.75	5.75	\$55.63
2020	3.25	0.75	4.25 (2)	\$50.00
2021	3.25	0.75	4.25 (2)	\$50.00
2022	6.25	0.75	7.00	\$59.93
2023	8.50	0.75	9.25	\$69.09

1. This is a margin we have used recently; your margin may be different and based on your creditworthiness and LTV Ratio.

2. This rate reflects a lifetime floor of 4.25%.