Revity
FEDERAL CREDIT UNION
217 North Greene Street
Greensboro, NC 27401
(336) 373-2090
www.revityfcu.org

# HOME EQUITY EARLY DISCLOSURE
# IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our 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. 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 security interest 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 and charge you certain fees, 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

### Draw Period

You can obtain credit advances for 120 months (the draw period). At our option we can extend the draw period. During the draw period, payments will be due on a monthly basis. Your minimum monthly payment will be established at the time of each advance or change in interest rate at an amount necessary to fully amortize your outstanding account balance over 180 months, subject to a minimum of $50.00.

### Repayment Period

After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding account balance (the repayment period). The length of the repayment period will depend on your outstanding account balance at the time of your last advance but in no event exceed 180 months. During the repayment period, minimum payments will be due on a monthly basis and will be calculated in the same manner as the draw period.

**Minimum Payment Example:** If you made only the minimum monthly payment and took no other credit advances, it would take 120 months to pay off a credit advance of $10,000 at an **ANNUAL PERCENTAGE RATE** of 7.75%. You would make 119 monthly payments of $94.13 and a final payment of $92.71.

**Late Payment Fee:** If your payment is more than 16 days late, you will be charged $25.00.

**Transaction Limitations:** N/A

**Third Party Fees:** You may have to pay certain fees to third parties. These fees generally total between $0 and $1,500. If you ask, we will give you 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 with the Credit Union listed as loss payee.

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

**Variable Rate:** Following the expiration of any Introductory Rate, your Plan will be subject to a Variable Rate and the Annual Percentage Rate (corresponding to the periodic rate) can change as a result. The Annual Percentage Rate is based on the Prime Rate published in the Money Rates Section of The Wall Street Journal ("Index") and will be the rate in effect on the last day of the month prior to January, April, July and October. If the index becomes unavailable, we will choose another Index with a similar Interest Rate. To determine the Annual Percentage Rate that will apply to your line of credit, we add our margin to the value of the index. The Index plus the margin equals the Interest Rate. Increases in the Interest Rate will result in like increases in the Finance Charge on the first day of January, April, July and October and will affect the amount of your scheduled payments during the draw period. The Annual Percentage Rate includes only interest and no other costs.

**Rate Changes:** Your Annual Percentage Rate can change on the first day of January, April, July and October. Your Annual Percentage Rate cannot change more than 3.00% per year. Your Annual Percentage Rate will never be greater than 18.00% or the maximum allowed by law. Your Annual Percentage Rate will never be less than 4.00%.

**Maximum Rate and Payment Examples**

If you had an outstanding balance of $10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be $150.00. This Annual Percentage Rate could be reached in the 1st month of the draw period.

If you had an outstanding balance of $10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be $150.00. This Annual Percentage Rate could be reached in the 1st month of the draw period.

**Historical Examples:** 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 last 15 years. The index values are from the first business day in **July** of each year. While only one payment amount per year is shown, payments would have varied slightly during the year.

The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during each year. It **does not** necessarily indicate how your index, margin, APR or monthly payment would change in the future.

| Period | Year | Index (Percent) | Margin(1) (Percent) | **ANNUAL PERCENTAGE RATE** | Monthly Payment |
|---|---|---|---|---|---|
| DRAW | 2012 | 3.25 | 1.00 | 4.25 | $75.22 |
| | 2013 | 3.25 | 1.00 | 4.25 | 75.22 |
| | 2014 | 3.25 | 1.00 | 4.25 | 75.22 |
| | 2015 | 3.25 | 1.00 | 4.25 | 75.22 |
| | 2016 | 3.50 | 1.00 | 4.50 | 76.19 |
| | 2017 | 4.25 | 1.00 | 5.25 | 78.87 |
| | 2018 | 5.00 | 1.00 | 6.00 | 81.36 |
| | 2019 | 5.50 | 1.00 | 6.50 | 82.88 |
| | 2020 | 3.25 | 1.00 | 4.25 | 76.93 |
| | 2021 | 3.25 | 1.00 | 4.25 | 76.93 |
| REPAYMENT | 2022 | 4.75 | 1.00 | 5.75 | 79.79 |
| | 2023 | 8.25 | 1.00 | 8.75(2) | 84.55 |
| | 2024 | 8.50 | 1.00 | 9.50 | 85.49 |
| | 2025 | 7.50 | 1.00 | 8.50 | 84.63 |
| | 2026 | 6.75 | 1.00 | 7.75 | 84.29 |

(1) This is a margin we have used recently. Your margin may be different.
(2) This represents the 3.00% per year rate change limitation.

**SIGNATURES**

By signing below, you acknowledge receipt of this Home Equity Early Disclosure along with the Federal disclosure entitled What You Should Know About Home Equity Lines of Credit.

| | |
|---|---|
| ***x*** | ***x*** |
| APPLICANT DATE | APPLICANT DATE |