

**HOME EQUITY INITIAL TRUTH-IN-LENDING DISCLOSURE  
IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN**

**THIS DISCLOSURE NOTICE CONTAINS IMPORTANT INFORMATION ABOUT BELLWETHER COMMUNITY CREDIT UNION'S HOME EQUITY LINE OF CREDIT PLAN. YOU SHOULD READ IT CAREFULLY AND KEEP A COPY FOR YOUR RECORDS.**

- TERMS SUBJECT TO CHANGE:** The terms described in this disclosure are subject to change at any time. If, prior to your signing the loan documents, any of these terms have changed (other than the annual percentage rate) and you decide, as a result, not to obtain a home equity loan from us, you would be entitled to a refund of any fees that you paid in connection with your application.
- SECURITY INTEREST:** Your obligation to repay your home equity loan and your obligations under your home equity loan agreement would be secured by the property described in the mortgage you grant to the credit union in connection with the establishment of your loan. By signing the mortgage, you would grant Bellwether Community Credit Union a security interest in that property. You could lose the property if you do not meet your obligations to Bellwether Community Credit Union.
- POSSIBLE ACTIONS:** Under the circumstances specified in your home equity loan agreement, Bellwether Community Credit Union would be permitted to (i) terminate your account and require you to pay the entire outstanding balance in one payment and also charge you certain fees, (ii) refuse to make further extensions of credit to you, (iii) reduce your credit limit and (iv) make specific changes to the terms of your home equity loan agreement. Upon your request, Bellwether Community Credit Union will provide you with more specific information about when Bellwether Community Credit Union could take these actions.

This disclosure notice is not a replacement for or a part of any loan commitment, loan agreement, mortgage, or other document you may sign if Bellwether Community Credit Union agrees to make a home equity loan to you. You should become familiar with and understand the provisions of all such documents before signing them.

Since Bellwether Community Credit Union may sell any loan it makes, the terms of any loan that you may obtain from Bellwether Community Credit Union may be enforced by a purchaser of the loan. As used below the words "we", "us" and "our" mean Bellwether Community Credit Union or any person that would have the right to enforce the loan terms.

**HOW THE HOME EQUITY LOAN WORKS:**

- GENERAL:** The home equity loan is a line of credit loan secured by a borrower's principal residence that permits the borrower to obtain credit advances up to a specified credit limit. Because the loan is an open-end line of credit, it can be used again and again to obtain credit advances as long as the credit limit is not exceeded. As used below, the words "we", "us" and "our" mean Bellwether Community Credit Union.
- LOAN TERM:** The term of your loan is based on the Range of Balances Table set forth below, and is the Payoff Period, applicable to the amount advanced, plus a 10 year draw or line of credit period. You could obtain advances under your line of credit during the first ten (10) years of the loan term. After that, your loan would convert into a repayment period during which you would no longer be permitted to obtain advances and you would be required to repay the outstanding balance plus interest and all other amounts due in the payoff period set forth below in the Range of Balances Table, based on the loan amount outstanding on the first day of the repayment period.
- PAYMENT:** The amount of your minimum payment during the line of credit period is the unpaid interest at the **Annual Percentage Rate** plus late charges for the statement billing period rounded up to the nearest dollar. The amount of your minimum monthly payment during the repayment period is the greater of: (i) \$150.00 or (ii) the amount necessary to repay your outstanding balance at the current **Annual Percentage Rate** for the payoff period established on the first day of the "repayment period", rounded up to the nearest dollar.

**RANGE OF BALANCES TABLE**

<b>Range of Balances</b>	<b>Payoff Period</b>
Up to \$10,000.00	60 Monthly Payments
\$10,000.01 - \$35,000.00	120 Monthly Payments
Over \$35,000.00	180 Monthly Payments

If you made only the minimum monthly payment and took no other credit advances, it would take the 10 year line of credit period and the 5 year repayment period to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.00%. During that period, you would make 120 payments of \$25.00 and 60 payments of \$180.00.

- FEES AND CHARGES:** In order to open and maintain your home equity loan account, you must pay Bellwether Community Credit Union an annual fee of \$50.00, due on the Anniversary Date of your Agreement. To open the plan you must also pay certain fees to third parties. These fees generally total between \$0 and \$1500. Upon request we would provide you with an itemization of the fees you will have to pay to third parties. In the event that you are 10 or more days late in making your monthly payment and your Home Equity Loan is secured by New Hampshire property, a late fee will be charged. In the event that you are 15 or more days late in making your monthly payment and your Home Equity Loan is secured by Massachusetts property, a late fee will be charged. Please ask what our late fees are based on the state in which the mortgage property is located.
- PROPERTY INSURANCE:** You must insure the real property described in the mortgage against fire, casualty, and other hazards. The amount of the insurance must equal at least the credit limit of your home equity loan plus the full amount of any lien(s) that have priority over the mortgage, unless

we otherwise agree. You may obtain this insurance from an insurance company of your choice that is acceptable to us, but you must name us as a loss payee and furnish us with satisfactory proof of insurance.

6. **VARIABLE RATE INTEREST:** Your loan would have a variable interest rate, subject to a floor or minimum rate, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may change as a result. The annual percentage rate would not include costs other than interest.

The Annual Percentage Rate is based on the value of an "Index". The Index is the highest prime rate published daily in the Wall Street Journal's listing of "Money Rates" (the "Index"). If the Wall Street Journal ceases to publish the Index, we will choose a substitute index that is based upon comparable information, so that the change in the index results in substantially the same rate as required under the previous index. The Margin shall remain unchanged during the life of your Home Equity Loan, however your interest rate during the life of your Loan will be subject to the floor or minimum rate. The **Annual Percentage Rate** for the monthly billing period during which any advance is made would be determined by adding a margin to the value of the index and rounding up to the next .25%, subject to the floor or minimum rate.

Ask us for the current index value, margin, floor or minimum rate and **Annual Percentage Rate**. After you open an account, rate information would be provided on periodic statements that we send you. The **Annual Percentage Rate** can change monthly. Your margin will be .25% higher if you do not elect to have your regular payments made via auto pay from an account you have at Bellwether Community Credit Union. In the event you initially elect to have your regularly scheduled payments automatically withdrawn from an account with Bellwether Community Credit Union and later change to a different payment method the margin added to your index will increase by .25% and your floor or minimum rate will increase by .25%. There is no limit on the amount by which the rate can change in any one-year period. The maximum **Annual Percentage Rate** that can apply during the plan is 18% or the highest rate permitted by applicable law, whichever is lower. Under no circumstances will your **Annual Percentage Rate** be less than the floor or minimum rate at any time.

7. **EARLY TERMINATION FEE:** An early termination fee of \$344.00 will be charged to you if you pay off your home equity line balance and terminate your home equity line within three (3) years of the date of your Agreement.

8. **MINIMUM DRAW REQUIREMENTS:** There is no minimum credit advance that you may request.

9. **TAX DEDUCTABILITY:** You should consult a tax advisor regarding the deductibility of interest and charges under your loan.

10. **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% would be \$150.00. If you had an outstanding balance of \$10,000, during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$254.00. This annual percentage rate could be reached in the first month of your loan.

11. **VARIABLE RATE EXAMPLE:** The following table shows how the annual percentage rate and the minimum monthly 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 last business day in January of each year.

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

Annual Year	Index % (percent)	Margin <sup>(1)</sup> (percent)	Annual Percentage Rate (percent)	Minimum Payment (dollars)
2008	6.00	-.25	5.75	\$48.00
2009	3.25	-.25	3.00	\$25.00
2010	3.25	-.25	3.00	\$25.00
2011	3.25	-.25	3.00	\$25.00
2012	3.25	-.25	3.00	\$25.00
2013	3.25	-.25	3.00	\$25.00
2014	3.25	-.25	3.00	\$25.00
2015	3.25	-.25	3.00	\$25.00
2016	3.50	-.25	3.25	\$28.00
2017	3.75	-.25	3.50	\$30.00
2018	4.50	-.25	4.25	\$185.00
2019	5.50	-.25	5.25	\$189.00
2020	4.75	-.25	4.50	\$187.00
2021	3.25	-.25	3.00	\$183.00
2022	3.25	-.25	3.00	\$183.00

(1) This is a margin we have used recently, your margin may be different.

(2) Note: If the index plus the margin was less than 3.00% for auto pay loans or 3.25% for non-auto pay, the floor or minimum rate of 3.00% for auto pay and 3.25% for non-auto pay (floor and minimum rates we have used recently) would be used. In the above chart, an auto pay loan was presumed and no floor or minimum rate was used as the index plus the applicable margin was equal to or exceeded the floor or minimum rate of 3.00% at all times.

12. **RELEASE/DISCHARGE:** When your Home Equity Loan Account is paid off and closed, you will be charged a fee for the recording of the release of the Mortgage on the property securing the Account. This fee will be the exact amount charged by the Registry of Deeds for the recording of the discharge/release, any additional fee assessed by the state in which the property is located, the electronic filing fee incurred (if electronic filing is available) and the return postage fee, when electronic filing is not available.

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

**Important:** Please sign one copy of this disclosure and return it to Bellwether Community Credit Union

**I/We acknowledge receiving and reading the above disclosure notice.**

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

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Applicant's Signature

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Date

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Applicant's Signature

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Date