HOME EQUITY CREDIT ACCOUNT DISCLOSURES

CASCADE COMMUNITY CREDIT UNION
1123 W Harvard
Roseburg, OR 97471
(541) 672-9000
www.cascadecu.org

This disclosure contains important information about your Home Equity Line of Credit Account ("Account"). You should read it carefully and keep a copy for your records.

1. **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, to not enter into an agreement with us, you are entitled to a refund of any fees that you paid in connection with your application.

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

3. **Minimum Payment Requirements.** You will make payments at least monthly to meet the Minimum Payment requirements. You agree that you will pay the Minimum Payment on or before the due date indicated on your statement. Minimum Payments will include all amounts past due, late fees, applicable insurance premiums, and the minimum monthly payment, as follows:

   a. **Fixed Rate Account.** If your account is a Fixed Rate Account, you can obtain credit advances for two (2) years ("draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount necessary to amortize the outstanding balance after your most recent advance over a period that you select (the "payment period") of either 180 months or 360 months. Your minimum monthly payment will be rounded up to the nearest dollar. After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance ("repayment period"). The length of the repayment period will be from the end of the draw period to 180 months or 360 months from the date of your last advance (based on the payment period you select). During the repayment period payments will be due monthly. Your minimum monthly payment will be the amount established after your last advance to repay the outstanding balance over the payment period you selected.

   b. **Variable Rate Account.** If your account is a Variable Rate Account, you can obtain credit advances for ten (10) years ("draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount necessary to amortize the outstanding balance after your most recent advance over a period that you select (the "payment period") of either 180 months or 360 months. Your minimum monthly payment will be rounded up to the nearest dollar. After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance ("repayment period"). The length of the repayment period will be from the end of the draw period to 180 months or 360 months from the date of your last advance (based on the payment period you select). During the repayment period payments will be due monthly. Your minimum monthly payment will be the amount established after your last advance to repay the outstanding balance over the payment period you selected.

4. **Minimum Payment Example.**

   a. **Fixed Rate Account.** If you took a single $10,000 advance at an ANNUAL PERCENTAGE RATE of 4.24% (a recent rate we have offered) and made only the minimum monthly payments, it would take 178 months to pay off your Account. During that period you would make 177 monthly payments of $76.00 and a final payment of $22.15.

   b. **Variable Rate Account.** If you took a single $10,000 advance at an ANNUAL PERCENTAGE RATE of 6.99% (the most recent index plus margin for quarterly adjustments from the historical table below) and made only the minimum monthly payments, it would take 180 months to pay off your Account. During that period you would make 179 monthly payments of $90.00, and a final payment of $35.19.

5. **Fees and Charges.** In order to open and maintain the line, you must pay certain fees and charges.

   a. **Annual Fee.** For variable rate accounts you will pay an annual fee of $75.

   b. **Third Party Fees.** You must pay certain third party fees to open the account. In addition, you must carry insurance on the property that secures the account. The amount of these fees depends on the amount of the line of credit, and generally totals less than $2000. We will provide an itemization of these fees upon request.

6. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges under the plan.

7. **Appraisal Report**. You have the right to a copy of the appraisal report used in connection with the loan for which you are applying, provided that you have paid for the appraisal. If you wish a copy, please write to us at Cascade Community Federal Credit Union, P.O. Box 1166, Roseburg, Oregon 97470.

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8. **Annual Percentage Rate and Periodic Rate.** The **ANNUAL PERCENTAGE RATE** is divided by 365 to obtain the Periodic Rate. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs.

   a. Fixed Rate Accounts. If your account is a Fixed Rate Account, the Periodic Rate and ANNUAL PERCENTAGE RATE will be disclosed on your Account Opening Advice and will be fixed for the term of the account.

   b. **Variable Rate Accounts.** If your account is a Variable Rate Account, the Periodic Rate and ANNUAL PERCENTAGE RATE can change from time to time as follows:

      i. **Determination of Rate.** The Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE will vary based on an index which is the highest Prime Rate published in The Wall Street Journal. To determine the ANNUAL PERCENTAGE RATE, we add a margin to the index. The amount of the margin for your account is based on your credit profile and other factors we consider and will be disclosed on an account opening advice when you open your account. After you open an Account, rate information will be provided on periodic statements that we will send you. The ANNUAL PERCENTAGE RATE will not be less than 3.49% or more than 18.00% over the life of the account. Ask us for the current index value, margin, and ANNUAL PERCENTAGE RATE.

      ii. **Rate Adjustments.** The ANNUAL PERCENTAGE RATE will be adjusted on the first day of each month, based on the index value as of the last day of the previous month. Changes in the ANNUAL PERCENTAGE RATE will affect the amount of your payments.

9. **Possible Actions.** We may take the following actions with respect to your Account under the circumstances listed below:

   a. Termination and Acceleration. We may terminate your Account and require you to pay us the entire outstanding balance immediately, and charge you certain fees if any of the following happen:

      i. You engage in any fraud or material misrepresentation in connection with your Account. For example, if there are false statements or omissions on your application or financial statements.

      ii. You do not meet the repayment terms of the Account.

      iii. Your action or inaction adversely affects the collateral or our rights in the collateral. For example, if you fail to: maintain insurance, pay taxes, transfer title to or sell the collateral, prevent the foreclosure of any items, or waste of the collateral.

   b. Suspension of Credit/Reduction of Credit Limit. We may refuse to make additional advances on your line or reduce your credit limit during any period in which the following exist or occur:

      i. Any of the circumstances listed in a. above.

      ii. The value of your dwelling securing the Account declines significantly below its appraised value for purposes of the Account.

      iii. We reasonably believe that you will not be able to meet the repayment requirements of the Account due to a material change in your financial circumstances.

      iv. You are in default under any material obligation of your Account.

      v. All of your obligations under the Account (Agreement and Deed of Trust) are material to maintaining this Account. The categories of your obligations are set forth in the following paragraphs of these Agreements:

      vi. Home Equity Line of Credit Account Agreement. 1. Promise to Pay; 2. Account Access; 3. Loan Payments; 5. Security Requirements; 9. Other Charges and Closing Costs; and 11. Possible Credit Union Actions.

      vii. Line of Credit Trust Deed. 3. Payment and Performance; 4. Possession and Maintenance of the Property; 5. Indemnity; 6. Due on Sale; 7. Taxes and Liens; 8. Property Damage Insurance; 10. Warranty/Defense of Title; 11.

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Condemnation; 12. Imposition of Taxes; 13. Security Agreement; 14. Further Assurances/Attorney in Fact; 16. Possible Actions of Lender; 20. Attorney Fees; and 25. Miscellaneous Provisions.

viii. The maximum ANNUAL PERCENTAGE RATE under your Account is reached.

ix. Any 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% of the credit line.

x. We have been notified by government agency that continued advances would constitute an unsafe and unsound practice.

c. **Change in Terms.** The Agreement permits us to make certain changes to the terms of the Account at specified times or upon the occurrence of specified events.

10. Maximum ANNUAL PERCENTAGE RATE and Payment Example. For a variable rate account, if you had a balance of $10,000 at the beginning of the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be $162.00. This rate could be reached in the first year of the draw period. If you had a balance of $10,000 at the beginning of the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be $162.00. This rate could be reached in the first year of the repayment period.

11. **Historical Example.** The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single $10,000 credit advance on a home equity line of credit would have changed based on changes in the index over the last 15 years. The index values are from December 31 of the prior year. While only one payment amount 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 payment was made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)		Margin* (%)	**ANNUAL PERCENTAGE RATE** (%)	Minimum Monthly Payment ($)
2012	3.25		0.24	3.49	72.00
2013	3.25		0.24	3.49	72.00
2014	3.25		0.24	3.49	72.00
2015	3.25		0.24	3.49	72.00
2016	3.50		0.24	3.74	73.00
2017	3.75		0.24	3.99	73.00
2018	4.50		0.24	4.74	76.00
2019	5.50		0.24	5.74	78.00
2020	4.75	DRAW	0.24	4.99	76.00
2021	3.25	PERIOD	0.24	3.49	73.00
2022	3.25	REPAYMENT	0.24	3.49	73.00
2023	7.50	PERIOD	0.24	7.74	79.00
2024	8.50		0.24	8.74	81.00
2025	7.50		0.24	7.74	79.00
2026	6.75		0.24	6.99	78.00

* This is a margin we have used recently for borrowers with good credit and a low LTV; your margin may be different.
** This rate reflects the lifetime minimum.

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