

**CONSOLIDATED FEDERAL CREDIT UNION  
EQUITY LINE ACCOUNT DISCLOSURES**

This disclosure contains important information about your Equity Line 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 or mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.
  3. **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.All of your obligations under the Account (Agreement and Deed of Trust or Mortgage) are material to maintaining this Account. The categories of your obligations are set forth in the following paragraphs of these Agreements.  
Home Equity Line Agreement. 1. Payment; 2. Credit Line Access; 3. Security; 4. Property Maintenance/Insurance; 8. Other Costs and Charges; 11. Possible Actions; and 13. Credit Information/Financial Statements.  
Deed of Trust or Mortgage. 1. Payments and Performance; 2. Possession and Maintenance of Property; 3. Taxes and Liens; 4. Property Damage Insurance; 5. Expenditures by Credit Union; 7. Condemnation; 10.1. Consent by Credit Union; 10.2. Effect of Consent; 11. Security Agreement; Financing Statements; 14. Actions Upon Termination; 14.5. Attorneys Fees and Expenses; 16.2 Unit Ownership Power of Attorney; 16.3. Annual Reports; 16.5. Joint and Several Liability; 16.8 Waiver of Homestead Exemption; and 17.3. No Modifications.
      - v. The maximum **ANNUAL PERCENTAGE RATE** under your Account is reached.
      - vi. 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 120.0% of the credit line.
      - vii. 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.
  4. **Fees and Charges.** In order to open and maintain the line, you must pay certain fees and charges.
    - a. **Credit Union Fees.** The following fees must be paid to us:
      - Application Fee: \$50 Due at Application
      - Loan Fee: 1.5% of the credit line due at closing
    - b. **Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. The amount of these fees depends on the type of loan and amount of the loan advance. For a \$10,000 line of credit or equity loan, these fees generally total between \$199 and \$4,140. In addition, you must carry insurance on the property that secures the Account. For example, on a \$10,000 line of credit or equity loan the following estimated fees must be paid to third parties:

Property Value Determination:	\$25 - \$2,000
Title Insurance:	\$85 - \$1,800
Recording Fee:	\$25 - \$ 200
Credit Report:	\$ 5 - \$ 50
Flood Hazard Determination:	\$ 15
Real Estate Tax Service:	\$59 - \$ 75
    - c. **Lien Release.** Upon closure of the account and repayment in full of the outstanding debt, you must pay any reconveyance fee, usually \$75 - \$200, to release the Credit Union's security interest.
  5. **Appraisal.** You have the right to a copy of any real estate appraisal we use in connection with your credit application. To receive a copy, your request must be in writing to: Consolidated Federal Credit Union, 2021 N.E. Sandy Boulevard, Portland, Oregon, 97232. We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.
  6. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges under the plan.
  7. **Annual Percentage Rate.** You may choose either a fixed rate or variable rate for your Account, as described below. If your Account has a variable rate feature, the **ANNUAL PERCENTAGE RATE** (corresponding to the periodic rate) and monthly payments may change as a result. For both fixed and variable rate plans, the **ANNUAL PERCENTAGE RATE** includes only interest and not other costs.
    - a. **Variable Rate Equity Lines of Credit.** For Equity Lines of Credit, the Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** is a variable rate based upon an index which is the Prime Rate quoted on the last day of the prior month as published in the "Money Rates" section of The Wall Street Journal. The **ANNUAL PERCENTAGE RATE** will be adjusted on December 1, March 1, June 1, and September 1.
    - b. **Five Year Equity Lines of Credit.** For Five Year Equity Lines of Credit, the Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** is a variable rate based upon an index which is the Prime Rate quoted on the last day of the prior month as published in the "Money Rates" section of The Wall Street Journal. The **ANNUAL PERCENTAGE RATE** will be adjusted on the fifth (5th) anniversary of the Account, and on the same day every five (5) years after that.
    - c. **Fifteen Year Equity Lines of Credit.** For Fifteen Year Equity Lines of Credit, the Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** is a variable rate based upon an index which is the Prime Rate quoted on the last day of the prior month as published in the "Money Rates" section of The Wall Street Journal. The **ANNUAL PERCENTAGE RATE** will be adjusted on the fifteenth (15th) anniversary of the Account.The total of the index plus the margin amount that we add is the **ANNUAL PERCENTAGE RATE**. The amount of the margin varies depending on the loan type, and may also be based on your employment and residential status, current debt and your past credit experience, and other factors we deem appropriate. A range of the margins we add to the index for various loan types, and the Periodic Rates and **ANNUAL PERCENTAGE RATES** currently offered by the Credit Union is set forth in the Loan Rate Schedule. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs. The **ANNUAL PERCENTAGE RATE** is divided by 365 to produce the daily Periodic Rate. The current Periodic Rate and **ANNUAL PERCENTAGE RATE** will be shown on the Advance Voucher at the time the Account is opened. There is a maximum **ANNUAL PERCENTAGE RATE** of 18% or the maximum amount allowed by federal law from time to time. The minimum **ANNUAL PERCENTAGE RATE** is 3.00%. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the amount of your payments during the draw period and the number of monthly payments you will make in the repayment period. However, if the amount of the monthly payment is not enough to pay at least the **FINANCE CHARGE** accruing during the month and amounts advanced for any insurance premiums, if applicable, we may increase your monthly payment in an amount sufficient to amortize the loan balance over the original schedule. Your initial rate may be discounted and not based on the index plus margin used for later rate adjustments. If your initial rate is discounted, the minimum payment will be calculated at the fully indexed (non-discounted) rate. Any initial discount will remain in effect for the period shown on the advance voucher.
8. **Minimum Payment Requirements.** You agree that you will pay not less than the Minimum Payment on or before the due date indicated on your statement. Minimum Payments include all amounts past due, late charges, and the Minimum Monthly Payment.

- a. **Equity Lines of Credit - Traditional.** You can obtain credit advances for five (5) years (the “draw period”). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount necessary to amortize the balance over fifteen (15) years, readjusted after each draw. Unless the Credit Union notifies you otherwise, your draw period will be automatically renewed at the end of the original draw period and again after the first renewal draw period (for a combined total of up to 15 years). After the draw period (or, if applicable, the renewed draw period will be fifteen (15) years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the amount necessary to amortize the balance over fifteen (15) years.
  - b. **Equity Lines of Credit - Interest Only.** You can obtain credit advances for five years (the “draw period”). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest as of the statement closing date each month. Unless the Credit Union notifies you otherwise, your draw period will be automatically renewed at the end of the original draw period and again after the first renewal draw period (for a combined total of up to 15 years). After the draw period (or, if applicable, the renewed draw period) ends, you will no longer be able to obtain credit advances and must repay to outstanding balance (the “repayment period”). The length of the repayment period will be 15 years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the amount necessary to amortize the balance over 15 years.
9. **Minimum Payment Example.**
- a. **Equity Line of Credit (Interest Only).** If you took a single \$10,000.00 advance at an **ANNUAL PERCENTAGE RATE** of 7.00% and made only the minimum monthly payments, it would take 20 years to pay off your Account. During that period you would make 60 monthly payments of \$58.33 and 180 monthly payments of \$89.88.
  - b. **Equity Line of Credit (Traditional).** If you took a single \$10,000.00 advance at an **ANNUAL PERCENTAGE RATE** of 7.00% and made only the minimum monthly payments, it would take 20 years to pay off your Account. During that period you would make 60 monthly payments of \$89.88, and 180 payments of \$69.58.
10. **Minimum Line of Credit Advances.** The minimum initial advance required is \$2,000 and the subsequent minimum advance amount is \$250.
11. **Maximum Rate and Payment Examples.** For variable rate plans, if you had an outstanding balance of \$10,000.00 at the beginning of your Account, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This **ANNUAL PERCENTAGE RATE** could be reached during the first month of the draw period. 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 18.00% would be \$161.04. This **ANNUAL PERCENTAGE RATE** could be reached during the first month of the repayment period.
12. **Historical Example.** The following tables show how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single \$10,000.00 credit advance on equity loans and equity lines of credit under this Account would have changed based on changes in the index over the last 15 years, if available rate had been chosen for each plan. The index values are from December 1 of the prior year. While only one payment amount per year is shown, payments would have varied slightly 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*	Variable Equity Line of Credit				Five Year Fixed Line of Credit				15 Year Fixed Line of Credit			
			ANNUAL PERCENTAGE		Interest		ANNUAL PERCENTAGE		Interest		ANNUAL PERCENTAGE		Interest	
			RATE (%)	Payment (\$)	Traditional Payment (\$)	Only Payment (\$)	RATE (%)	Payment (\$)	Traditional Payment (\$)	Only Payment (\$)	RATE (%)	Payment (\$)	Traditional Payment (\$)	Only Payment (\$)
2009	4.00	-0.50	3.50	29.17	71.49	0.00	4.00	33.33	73.97	0.25	4.25	35.42	75.23	
2010	3.25	-0.50	3.00 <sup>x</sup>	25.00	69.20	0.00	4.00	33.33	73.97	0.25	4.25	35.42	75.23	
2011	3.25	-0.50	3.00 <sup>x</sup>	25.00	69.20	0.00	4.00	33.33	73.97	0.25	4.25	35.42	75.23	
2012	3.25	DRAW PERIOD	-0.50	3.00 <sup>x</sup>	25.00	69.20	0.00	4.00	33.33	73.97	0.25	4.25	35.42	75.23
2013	3.25	REPAYMENT	-0.50	3.00 <sup>x</sup>	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2014	3.25	PERIOD**	-0.50	3.00 <sup>x</sup>	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2015	3.25		-0.50	3.00 <sup>x</sup>	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2016	3.25		-0.50	3.00	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2017	3.50		-0.50	3.00	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2018	4.25		-0.50	3.75	69.06	49.49	0.00	3.25	70.27	51.34	0.25	4.25	75.23	55.25
2019	5.25		-0.50	4.75	69.06	49.49	0.00	5.25	70.27	51.34	0.25	4.25	75.23	55.25
2020	4.75		-0.50	4.25	69.06	49.49	0.00	5.25	70.27	51.34	0.25	4.25	75.23	55.25
2021	3.25		-0.50	3.00 <sup>x</sup>	69.06	49.49	0.00	5.25	70.27	51.34	0.25	4.25	75.23	55.25
2022	3.25		-0.50	3.00 <sup>x</sup>	69.06	49.49	0.00	5.25	70.27	51.34	0.25	4.25	75.23	55.25
2023	7.50		-0.50	7.00	69.06	49.49	0.00	5.25	70.27	51.34	0.25	4.25	75.23	55.25

\* This is a margin we have used recently.

\*\* This table assumes a single draw period that is not renewed.

<sup>x</sup> This rate reflects the lifetime minimum.