

Equity Line Plus Disclosure

Effective: October 1, 2023

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This disclosure contains important information about your Equity Line Plus Account ("Account"). Please read this document carefully and keep a copy for your records.

1. **Availability of Terms.** All terms disclosed below are subject to change. If any terms change (other than **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.** As security for repayment of your Account obligations, we will take a deed of trust on your home. You could lose your home if you do not meet your Account 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 the entire outstanding balance immediately, and charge you certain fees if any of the following happen:
 1. 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;
 2. You do not meet repayment terms of your Account; or
 3. Your action or inaction adversely affects the collateral or our rights in the collateral. For example, if you transfer title to or sell the collateral, or fail to maintain insurance, pay taxes, prevent the foreclosure of any items, or prevent waste of the collateral.
 - B. **Suspension of Credit/Reduction of Credit Limit.** We may refuse to make additional advances on your line of credit or reduce your credit limit during any period in which the following exist or occur:
 1. Any circumstances listed in 3.A. above;
 2. The value of your dwelling securing your Account declines significantly below its appraised value for purposes of your Account;
 3. We reasonably believe you will not be able to meet repayment requirements of your Account due to a material change in your financial circumstances;
 4. You are in default under any material obligation of your Account;

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

 - a) **Equity Line Plus Agreement.** 1. Payment Requirements; 2. Credit Line Access; 3. Security Requirements; 4. Property Maintenance/Insurance; 8. Conditions Under Which Other Costs and Charges May Be Imposed; 10. Joint Liability; 12. Notices; 13. Possible Actions; and 15. Credit Information/Financial Statements.
 - b) **Deed of Trust.** 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 Exemptions; and 17.3. No Modifications.
 5. The maximum **ANNUAL PERCENTAGE RATE** under your Account is reached;
 6. Any government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for or impairs our security interest such that the value of our interest is less than 120 percent of the credit line; or
 7. 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 your Account at specific times or upon the occurrence of specified events.
4. **Minimum Payment Requirements:**
 - A. **Equity Line Plus.** For Equity Line Plus accounts, you may obtain credit advances for Ten (10) years ("draw period"). Payments will be due on a monthly basis during the draw period. Your minimum monthly payment will be the greater of \$50.00 or 1.5% of your outstanding loan balance at statement cutoff. 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 depend on the **ANNUAL PERCENTAGE RATE** and amount of the outstanding loan balance at the end of the draw period. Payments will be due on a monthly basis during the repayment period. Your minimum monthly payment will equal 1.5% or the amount necessary to amortize the outstanding loan balance as of the beginning of the repayment period over twenty (20) years, whichever is more.
 - B. **Equity Line Plus Interest Only.** For Equity Line Plus Interest Only Accounts, you may obtain credit advances for Ten (10) years ("draw period"). Interest only payments will be due on a monthly basis during the draw period. Your monthly payment will be the interest accrued on your outstanding loan balances at the time of statement cutoff. 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 depend on the **ANNUAL PERCENTAGE RATE** and amount of the outstanding loan balance at the end of the draw period. Payments will be due on a monthly basis during the repayment period. Your minimum monthly payment will equal 1.5% or the amount necessary to amortize the outstanding loan balance as of the beginning of the repayment period over twenty (20) years, whichever is more.
 - C. **Conversion Option.** For both Equity Line Plus Interest Only and Equity Line Plus Accounts, during the draw period, you may elect to convert all or any portion of the balance to a Fixed Rate Equity Conversion balance ("Conversion Option"). Your minimum payment for each Conversion Option will be an amount sufficient to amortize the Conversion Option balance over a period of up to twenty (20) years. Your available line of credit is reduced by the outstanding balance of any Conversion Options. As you make payments reducing the principal balance of a Conversion Option, the available balance on your line of credit will automatically increase by the corresponding principal reduction amount. You may elect additional Conversion Options over the life of the Account up to any limit specified in the Loan Advance Voucher when you open your Account. Conversion Options may be subject to fees as specified below.
5. **Minimum Payment Examples:**
 - A. **Equity Line Plus.** If you took a single \$10,000 advance at an ANNUAL PERCENTAGE RATE of 8.99% and made only the minimum monthly payments, it would take two hundred thirteen (213) months to pay off your Account. During that period, you would make one hundred twenty (120) monthly payments ranging from \$150.00 to \$59.70, ninety (92) monthly payments of \$59.25, and a final payment of approximately \$13.20.
 - B. **Equity Line Plus Interest Only.** If you took a single \$10,000 advance at an ANNUAL PERCENTAGE RATE of 9.24% and made only the minimum monthly payments, it would take two hundred fifteen (215) months to pay off your Account. During that period, you would make one hundred twenty (120) monthly payments of \$77.00, ninety-four (94) monthly payments of \$150.00, and a final payment of approximately \$89.42.
7. **Fees and Charges.** In order to open and maintain the line, you must pay certain fees and charges.
 - A. **Third Party Fees.**
You must carry insurance on the property that secures this Account. An appraisal may be required. For Home Equity Lines of Credit, a portion of the loan fee paid to the Credit Union may be used to offset third party fees. You must pay certain fees to third parties. The amount of these fees depends on the type of loan and the amount of the loan advance. These fees generally total between \$560 - \$3,105. For example, the following estimated fees must be paid to third parties:

Appraisal (if required):	\$685.00 - \$1000.00	Flood Zone Determination:	\$ 20.00
Automated Property Valuation:	\$15.00 - \$50.00	Reconveyance Fee:	\$250.00
Title Insurance:	\$85.00 - \$1500.00	Tax Tracking Service:	\$ 60.00
Recording Fee:	\$130.00 - \$225.00		

Annual Fee. The annual fee is waived if you keep an average monthly owing balance of at least \$10,000 for the entire year. If you do not keep an average monthly owing balance of at least \$10,000 for the entire year you will pay an annual fee of \$50 each year beginning on the second anniversary of the date the account was opened.

8. **Loan Amount Requirements.** For Equity Line Plus and Home Equity Line Plus Interest Only, the minimum loan amount is \$10,000.00 and the maximum is \$250,000.00. For Equity Line Plus Interest Only the minimum credit advance amount is \$100.00.
9. **Tax Deductibility.** You should consult a tax advisor regarding deductibility of interest and charges under your Account.
10. **ANNUAL PERCENTAGE RATE:**
 - A. **Equity Line Plus.** Your Account has a variable rate feature that corresponds to the periodic rate, and the **ANNUAL PERCENTAGE RATE** and the term may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the number of payments you make.
 - B. **Equity Line Plus Interest Only.** Your Account has a variable rate feature that corresponds to the periodic rate, and the **ANNUAL PERCENTAGE RATE** and the term may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the number of payments you make.
 - C. **Fixed Rate Conversion Option.** The Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** for any Conversion Option amount is determined by the Credit Union at the time of the conversion and will be fixed for the duration of the Conversion Option.
11. **Variable Rate Calculation.** The **ANNUAL PERCENTAGE RATE** is calculated by adding a margin to an Index, which is the U.S. Prime Rate published in *The Wall Street Journal (Western Edition)*. If *The Wall Street Journal (Western Edition)* ceases publication or ceases to publish the Prime Rate, we reserve the right to use the Prime Rate published in any other newspaper of general circulation, or we may substitute a similar reference at our sole discretion. The amount of the margin for your account is based on your credit history, and credit qualifications. Ask us for the current index value, margins, and **ANNUAL PERCENTAGE RATE**.
12. **Variable Rate Changes.** After you open a variable rate line of credit, rate information will be provided on periodic statements sent to you. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** takes effect on the first day of the month, based on the most recent Index rate as of the last day of the prior month.
 - A. **Equity Line Plus.** The maximum **ANNUAL PERCENTAGE RATE** is 18.00%. The minimum rate for your account will be disclosed when you open your account.
 - B. **Equity Line Plus Interest Only.** The maximum **ANNUAL PERCENTAGE RATE** is 18.00%.
13. **Maximum Variable Rate and Payment Examples.**
 - A. For **Equity Line Plus**, if you had an outstanding balance of \$10,000 at the beginning of your draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.32. This rate could be reached in the first year of the account. If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum annual percentage rate of 18.00% would be \$154.45.
 - B. For **Equity Line Plus Interest Only**, if you had an outstanding balance of \$10,000 at the beginning of your draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$152.88. This rate could be reached in the first year of the account. If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum annual percentage rate of 18.00% would be \$154.45.
14. **Variable Rate Historical Payment Example.** The following table shows how the **ANNUAL PERCENTAGE RATE** and minimum monthly payments for a single \$10,000.00 credit advance would have changed on a Home Equity Line of Credit based on index changes over the last 15 years. The index values and payment amounts are based upon figures from December of the previous year. While only one payment amount per year is shown, payments generally would have slowly decreased during each year for Equity Line Plus accounts. The table assumes no additional credit advances were taken, the minimum payment was made each month, and the rate remained constant during each year. The table does not necessarily indicate how the index or your payments would change in the future.

HISTORICAL PAYMENT EXAMPLE

	YEAR	INDEX (%)	MARGIN*	ANNUAL PERCENTAGE RATE (Plus)	REGULAR PAYMENT AMOUNT (\$)	MARGIN*	ANNUAL PERCENTAGE RATE (Plus Interest Only)	INTEREST ONLY PAYMENT AMOUNT (\$)
<u>DRAW PERIOD</u>	2009	3.25	0.24	3.49	150.00	0.74	3.99	33.25
	2010	3.25	0.24	3.49	129.63	0.74	3.99	33.25
	2011	3.25	0.24	3.49	112.02	0.74	3.99	33.25
	2012	3.25	0.24	3.49	96.80	0.74	3.99	33.25
	2013	3.25	0.24	3.49	83.65	0.74	3.99	33.25
	2014	3.25	0.24	3.49	72.29	0.74	3.99	33.25
	2015	3.25	0.24	3.49	62.47	0.74	3.99	33.25
	2016	3.50	0.24	3.74	53.99	0.74	4.24	35.33
	2017	3.75	0.24	3.99	50.00	0.74	4.49	37.42
	2018	4.50	0.24	4.74	50.00	0.74	5.24	43.67
<u>REPAYMENT PERIOD</u>	2019	5.50	0.24	5.74	32.10	0.74	6.24	150.00
	2020	4.75	0.24	4.99	32.10	0.74	5.49	150.00
	2021	3.25	0.24	3.49	32.10	0.74	3.99	150.00
	2022	3.25	0.24	3.49	32.10	0.74	3.99	150.00
	2023	7.50	0.24	7.74	32.10	0.74	8.24	150.00

* This is a margin we have used recently for accounts with excellent credit and discount for auto-payment and e-statements; your margin may be different.