

## **Citizens Community Federal N.A.**

### **HELOC EARLY DISCLOSURE AND IMPORTANT TERMS OF LINE OF CREDIT PLAN**

This disclosure contains important information about the Citizens Community Federal N.A. home equity line of credit account. You should read it carefully and keep a copy for your records.

Availability of Terms. All of the terms below are subject to change. If any of the following 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 us or anyone else in connection with your application.

Security Interest. We will take a security interest in your home. You could lose your home if you do not meet your obligations in your Home Equity Line of Credit Agreement.

Possible Actions. We can terminate your line of credit, 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 of credit.
- You do not meet the repayment terms of the line of credit.
- Your action or inaction adversely affects the collateral (your home) or our rights in the collateral.

We can refuse to make additional extensions of credit ("advances") or reduce your credit limit if:

- The value of the collateral securing the line is significantly below its appraised value for purposes of the line of credit.
- We reasonably believe that you will not be able to meet the repayment requirements of the line of credit 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 in the agreement or impairs our security interest such that the value of the interest is less than 120% of your credit limit.
- A regulatory agency notifies us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.

The initial account agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment. You can obtain advances for 5 years. This period is called the "draw period." During the draw period your payments will be due monthly and will equal the finance charges (interest) accrued on the outstanding balance during the billing period plus 0.250% of the outstanding balance of your account at the end of the billing period. Your payment will be rounded to the nearest \$0.01. At no point will your minimum monthly payment be less than the smaller of \$50.00 or the full amount that you owe.

After the draw period ends, you will no longer be able to obtain advances and must pay the outstanding balance over 20 years (the "repayment period"). During the repayment period payments will be due monthly. Your minimum monthly payment will equal the balance outstanding at the end of the draw period fully amortized over 240 months.

**Minimum Payment Example.** If you took a single \$10,000 advance and the **ANNUAL PERCENTAGE RATE** were 5.750%, it would take 25 years to pay off the advance if you made only the minimum payment. During the draw period you would make 60 monthly payments varying between \$72.00 and \$62.00, followed by 240 monthly payments of \$60.42 during the repayment period.

**Fees and Charges.** To open and maintain a line of credit, you must pay us the following fees:

**Fees** N/A

**Other Charges**

(a) **Late Charge.** If we do not receive your minimum payment within fifteen (15) days of its due date, we will charge you a late charge of 5.000% of the amount of the payment past due.

(b) **Returned Item Charge.** If a check you use to pay us is returned to us unpaid, we will charge you a returned item fee of \$15.00 in addition to any late charge that may result.

(c) **Overlimit Charge.** If the outstanding balance owing on your Account at the end of a billing cycle exceeds your Credit Limit, we will charge you an overlimit charge of \$35.00.

(d) **Stop Payment Fee.** We will charge you a \$35.00 fee for each stop payment and renewal order.

(e) **Early Termination Fee.** 2% of the original line of credit; up to \$500. If you terminate this line of credit within 36 months of the date of this agreement, you agree to pay an early termination fee.

You also must pay certain fees to third parties to open a line of credit such as appraisers, title companies and government agencies. These fees generally total between \$0.00 and \$3,000.00. In addition, you must carry insurance on the property that secures the line of credit. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Finance Charge Accrual.** The periodic interest finance charge begins to accrue on the date that a Loan Advance is made from your Account.

**Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges on your line of credit.

**Variable Rate Information.** This line of credit has a variable rate of interest. The annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest and not other costs.

The annual percentage rate is based on the value of an index. The index is the highest "Prime Rate" as published in the "Money Rates" table of the online or print edition of The Wall Street Journal. To determine the annual percentage rate that will apply to your line, we add a margin ("Margin") of 1.000% to the value of the index. If the annual percentage rate is not already rounded, we then round to the nearest 0.010%. Ask us for the current index value, margin and annual percentage rate. After you open a line of credit, rate information will be provided in monthly billing statements that are sent to you.

**Rate Changes.** The annual percentage rate can change quarterly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3.950% at any time during the term of the plan.

**Maximum Rate and Payment Example.** If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$173.00. If you had an outstanding balance of \$10,000 during the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$154.33. This annual percentage rate could be reached in 3 months.

**HISTORICAL EXAMPLES.** The following tables shows how the annual percentage rate and the minimum payments for a single \$10,000.00 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 of March. While only one payment amount per year is shown, payments would have varied during each 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 the index or your payments would change in the future.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly payment (\$)
2004	4.000	2.000	6.000	75.00
2005	5.500	2.000	7.500	87.50
2006	7.500	2.000	9.500	104.17
2007	8.250	2.000	10.250	110.42
2008	6.000	2.000	8.000	91.67
2009 (O)	3.250	2.000	5.250	68.75
2010	3.250	2.000	5.250	68.75
2011	3.250	2.000	5.250	68.75
2012	3.250	2.000	5.250	68.75
2013	3.250	2.000	5.250	68.75
2014	3.250	2.000	5.250	68.75
2015	3.250	2.000	5.250	68.75
2016	3.500	2.000	5.500	70.83
2017	3.750	2.000	5.750	72.92
2018	4.500	2.000	6.500	79.17

\* This is a margin we have used recently, your margin may be different.  
(O) The repayment period begins in this year.