

Second Deed of Trust Loan Disclosure

IMPORTANT TERMS OF OUR SECOND DEED OF TRUST TERM LOAN

APPLICATION FEE: A non-refundable application fee of \$100 is payable at the time of application.

AVAILABILITY OF TERMS: All of the terms described below are subject to change. If these 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 that you pay to 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 the obligations in your agreement with us.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

REFUNDABILITY OF FEES: If you decide not to enter into this loan within three business days of receiving this disclosure, you are entitled to a refund of any fee you may have already paid.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

MAXIMUM LOAN AMOUNT: See table below

Loan Type	Maximum Loan-to-Value Ratio	Credit Limit
Primary Residence - Second Deed (First Deed Held by C.U.)	80%	Up to \$250,000 ⁽²⁾
Primary Residence - Second Deed (First Deed Held by another Lender)	75%	Up to \$250,000 ⁽³⁾

⁽²⁾ Maximum credit limit is the lesser of \$250,000 or 80% of property value less the first deed of trust loan with the Credit Union. The total of both loans shall not exceed \$1,000,000.

⁽³⁾ Maximum credit limit is the lesser of \$250,000 or 75% of property value less the first deed of trust loan balance with another lender. The total of both loans shall not exceed \$750,000.

VARIABLE RATE FEATURE: This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) may change as a result. The annual percentage rate includes only interest and no other costs. The annual percentage rate is based on the value of an index. The index is the 26-week U.S. Treasury Bill Auction discount rate for the most recent calendar quarter. Information about the Index is available or published weekly in the Federal Reserve Statistical Release. We will use the most

recent index value available to us as of the date of any annual percentage rate adjustment. To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. Ask us for the current index value, margin and annual percentage rate. After you open a loan, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change quarterly on the first day of the quarter. Although the interest rate may change, the monthly payment will remain the same. This means that the term of the loan may extend if rates increase or shorten if rates decrease.

MAXIMUM RATE FOR THE LIFE OF THE LOAN: The maximum interest rate permitted for this loan is subject to regulation by the National Credit Union Administration (NCUA). The current maximum rate is 18%.