



Variable Rate Home Equity Line of Credit PROGRAM HIGHLIGHTS

What is my initial interest rate?

The interest rate is based on your individual credit history. The rate can be as low as the prime rate minus 1% or as high as the prime rate plus 4%.

How much can I borrow?

You may borrow up to 80% of the equity in your home. For loan exceptions, amounts above 80% of the equity in your home, the interest rate will increase by 1%.

How is the equity in my home determined?

An appraisal will be done using one of our approved certified appraisers. This is an out-of-pocket cost which you would have to pay to the appraiser when they come out.

How and when are rates calculated?

Interest rates are set monthly and are based on the prime rate, as shown in the money rates section of the Wall Street Journal on the 1st business day of each month. Your individual credit score adjustment is added or subtracted from the prime rate, depending on your credit score at the time your credit line was established.

How long can I draw against my line?

You may obtain advances at any time throughout the draw period of five (5) years.

How can I access my line?

Access to your credit line is available in person at any credit union branch, through mobile banking or through the 24-hour telephone audio response system.

How long do I have to repay my line?

After the draw period expires, you then have ten (10) years to repay the loan.

How are my monthly payments determined?

Loan payments are calculated on a fifteen (15) year amortization repayment schedule from the initial set up date of the line of credit. Your loan payment may increase if you take additional advances on your line of credit or if the interest rate increases.

Are there any fees associated with this loan?

If your initial draw is at least \$5,000.00, all closing costs will be paid by the credit union except for an appraisal requested by you to determine the value and condition of your home. This appraisal fee is to be paid by the borrower(s) and is non-refundable. **NOTE:** For an initial draw amount less than \$5,000.00, all closing costs are paid by the borrower; if the loan is paid in full before 6 months, and all closing costs are paid by the borrower(s), and if you decide to cancel your closing, any fees associated with preparing for your closing would be paid by the borrower.

What is the maximum interest rate charged?

The maximum interest rate is 18% APR.

What is the minimum interest rate charged?

The minimum interest rate is 4%

Is there an interest rate cap?

Your rate will not increase or decrease more than 3% in any calendar year.



Variable Rate Home Equity Line of Credit IMPORTANT TERMS AND ELECTIONS

Important Terms and Acknowledgment

By signing below, the applicant acknowledges receipt of a copy of the MembersFirst Credit Union Important Terms of our Home Equity Line of Credit, Itemization of Third Party Fees, Program Highlights and the booklet titled: *When your home is on the line: What you should know about home equity lines of credit.*

Applicant

Date

Applicant

Date

• _____ •
For Credit Union use only:

If mailed, Date _____

Name _____



Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a mortgage loan from MembersFirst Credit Union. As part of the application process, MembersFirst Credit Union may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to MembersFirst Credit Union or its representatives, including the closing attorney, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balance; credit history and copies of income tax returns.
3. MembersFirst Credit Union or any investor that purchases the mortgage may address this authorization to any party named in the loan application or disclosed by any consumer credit reporting agency or similar source.
4. A copy of this authorization may be accepted as an original.
5. Your prompt reply to MembersFirst Credit Union or representative is appreciated.

Borrower Date

Social Security #

Borrower Date

Social Security #



Variable Rate Home Equity Line of Credit CHECKLIST

- Completed application, signed and dated.
- Most current paystub and W2. If you have a large commission, bonus income, or rental income; please include your personal tax returns for last two years.
- If you are self-employed you will be required to provide both your personal & business tax returns for the last 3 years.
- If you wish to include income from alimony or child support payments, please provide a copy of your divorce and settlement agreements, and 4 months of canceled checks or tax returns or other proof of money received.
- Current year tax assessment notice from the county.
- Current copy of your homeowner's policy which lists your insurance coverage.
- Copy of the Warranty Deed and or the Security Deed.
- Upon credit approval and prior to closing, you must provide the credit union with a Homeowner's Insurance Binder/Policy MembersFirst Credit Union as Loss Payee. If a binder is used temporarily in lieu of the policy, it must disclose the property address and the amount of coverage.
- Flood insurance with an endorsement showing MembersFirst Credit Union as lien holder if your property is determined to be in a Special Flood Hazard Area.