



**LIBERTY BAY**  
CREDIT UNION  
300 Granite St.  
Braintree, MA 02184  
1-800-638-8526

**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT**

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

**Availability of Terms** - All of the terms disclosed 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 have paid to us or anyone else in connection with your application.

**Security Interest** - We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

**Possible Actions** - Under certain circumstances, we can (1) terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees; (2) refuse to make additional extensions of credit; (3) reduce your credit limit and (4), as specified in the initial agreement, implement certain changes in the plan.

If you ask, we will give you more specific information concerning when we can take these actions.

**Minimum Payment Requirements** - You can obtain advances of credit for 10 years (the "Draw Period"). During the Draw Period, payments will be due monthly. Your minimum monthly payment will equal all accrued finance charges, plus any amounts past due. Your minimum monthly payments during the Draw Period will not reduce the amount of Principal outstanding on the line of credit.

After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 15 years (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum monthly payment will equal an amount sufficient to fully amortize the principal balance that was outstanding at the end of the Draw Period by the end of the repayment period.

**Minimum Payment Example:**

If you made only the minimum monthly payments and took no other credit advances, it would take 25 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE of 9.75%**. During that period, you would make 120 monthly payments varying between **\$82.81** and **\$74.79** followed by 180 monthly payments of **\$105.94**.

**CLOSING COSTS.** The Borrower may be required to pay the following closing costs:

- Appraisal Fee.....\$ 50.00-800.00  Title Insurance Policy.....\$ \_\_\_\_\_
- Recording Fee.....\$ 175.00-600.00  Flood Determination Fee.....\$ 8.00-20.00
- Title Examination Fee.....\$ 60.00-175.00  Credit Report Fee.....\$ 13.00-97.00
- Preparation of Legal Documents.....\$ \_\_\_\_\_ **TOTAL AMOUNT DUE.....\$ 306.00-1692.00**

**Note.** With respect to those closing costs which have been checked above, the Borrower will pay a \$400.00 processing fee.

**Property Insurance** - You must carry insurance on the property that secures this home equity line of credit.

**Flood Insurance** - If applicable, you must carry flood insurance on the property that secures this home equity line of credit.

**Minimum Draw Requirements** - There may be an initial draw requirement of \$15,000.00 to qualify for this program, thereafter the minimum credit advance you can receive is \$250.00.

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

**Variable Rate Information** - The line has a variable-rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result.

The Annual Percentage Rate includes only interest and no other closing costs.

The Annual Percentage Rate is based on the value of an index. The index is the Prime Rate published in the Money Rates Section of the Wall Street Journal (if more than one Prime Rate is published, the higher rate shall be used), as most recently published at the beginning of each monthly billing cycle.

To determine the annual percentage rate, we apply a margin to the value of the index.

Ask us for the current index value, margin or discount, if applicable, and Annual Percentage Rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Rate Changes** - The annual percentage rate will change at the beginning of each monthly billing cycle. The maximum **ANNUAL PERCENTAGE RATE** that can apply is **18.0%**.

Other than as disclosed in this paragraph, there are no annual or more frequent periodic limitations on changes in the Annual Percentage Rate.

**Maximum Rate and Payment Examples** - If you had an outstanding balance of \$10,000 at the beginning of the Draw Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE of 18.0%** would be **\$152.88**. This annual percentage rate could be reached during the first monthly billing cycle of the Draw Period.

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 18.0%** would be **\$161.04**. This Annual Percentage Rate could be reached at the start of the first monthly billing cycle of the Repayment Period.

**Historic Example** - The following table shows how the annual percentage rate and the maximum monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the last business day in the index month of each year. 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 payments were made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

YEAR	REPAYMENT PERIOD STARTS	FEBRUARY INDEX RATE	MARGIN <small>This is a margin we have used recently</small>	*ANNUAL PERCENTAGE RATE <small>(Rounded, if applicable)</small>	Minimum Monthly Payment
2009	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2010	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2011	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2012	<input type="checkbox"/>	3.25%	2.00	5.25%	44.47
2013	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2014	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2015	<input type="checkbox"/>	3.25%	2.00	5.25%	44.59
2016	<input type="checkbox"/>	3.50%	2.00	5.50%	46.58
2017	<input type="checkbox"/>	3.75%	2.00	5.75%	48.84
2018	<input type="checkbox"/>	4.50%	2.00	6.50%	55.21
2019	<input checked="" type="checkbox"/>	5.50%	2.00	7.50%	92.70
2020	<input type="checkbox"/>	4.75%	2.00	6.75%	88.71
2021	<input type="checkbox"/>	3.25%	2.00	5.25%	81.47
2022	<input type="checkbox"/>	3.25%	2.00	5.25%	81.47
2023	<input type="checkbox"/>	7.75%	2.00	9.75%	100.96

\*The Annual Percentage Rate has been adjusted to reflect any applicable interest rate caps.