

## Important Terms of OUCU's "Prime Advantage" Equity Loan

This disclosure contains important information about our home equity line-of-credit—Real Estate Secured "Prime Advantage" Equity Loan Plan. You should read it carefully and keep a copy for your records.

### Availability of Terms

All of the terms described below are subject to change. If these terms change (other than the ANNUAL PERCENTAGE RATE due to fluctuations in the index) 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.

### 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

We can amend your line-of-credit plan and implement certain changes as specified in the Prime Advantage Equity Loan Plan Agreement. You may receive from us, upon request, information about the conditions under which such changes may occur. 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:

- (1) You engage in fraud or material misrepresentation in connection with the line-of-credit;
- (2) You do not meet repayment terms; or
- (3) Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- (1) The value of the dwelling securing the line-of-credit declines significantly below its appraised value for purposes of the credit line;
- (2) We reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (3) You are in default of a material obligation in the agreement;
- (4) Government action prevents us from imposing the annual percentage rate provided or impairs our security interest such that the value of the interest is less than 120% of the credit line;
- (5) A regulatory agency has notified us that continued advances will constitute an unsafe and unsound practice; or
- (6) The maximum annual percentage rate is reached.

MINIMUM MONTHLY PAYMENT 70% LTV				
Year <sup>1</sup>	Index (%)	Up to 70% Margin <sup>2</sup>	Up to 70% Annual Percentage Rate (%)	Minimum Payment <sup>3</sup>
1999	7.75	-.25	7.50	\$150
2000	8.50	-.25	8.25	\$150
2001	9.50	-.25	9.25	\$150
2002	4.75	-.25	4.50	\$150
2003	4.25	-.25	4.00 <sup>4</sup>	\$150
2004	4.00	-.25	4.00 <sup>4</sup>	\$150
2005	5.25	-.25	5.00	\$150
2006	7.00	-.25	6.75	\$150
2007	8.25	-.25	8.00	\$150
2008	7.25	-.25	7.00	\$150
2009	3.25	-.25	4.00 <sup>4</sup>	\$150
2010	3.25	-.25	4.00 <sup>4</sup>	\$150
2011	3.25	-.25	4.00 <sup>4</sup>	\$150
2012	3.25	-.25	4.00 <sup>4</sup>	\$150
2013	3.25	-.25	4.00 <sup>4</sup>	\$150

MINIMUM MONTHLY PAYMENT 80% LTV				
Year <sup>1</sup>	Index (%)	Up to 80% Margin <sup>2</sup>	Up to 80% Annual Percentage Rate (%)	Minimum Payment <sup>3</sup>
1999	7.75	+0.0	7.75	\$150
2000	8.50	+0.0	8.50	\$150
2001	9.50	+0.0	9.50	\$150
2002	4.75	+0.0	4.75	\$150
2003	4.25	+0.0	4.25 <sup>4</sup>	\$150
2004	4.00	+0.0	4.25 <sup>4</sup>	\$150
2005	5.25	+0.0	5.25	\$150
2006	7.00	+0.0	7.00	\$150
2007	8.25	+0.0	8.25	\$150
2008	7.25	+0.0	7.25	\$150
2009	3.25	+0.0	4.25 <sup>4</sup>	\$150
2010	3.25	+0.0	4.25 <sup>4</sup>	\$150
2011	3.25	+0.0	4.25 <sup>4</sup>	\$150
2012	3.25	+0.0	4.25 <sup>4</sup>	\$150
2013	3.25	+0.0	4.25 <sup>4</sup>	\$150

<sup>1</sup> Rate stated reflects January 1 rate only.

<sup>2</sup> This is a margin we have used recently.

<sup>3</sup> Payment rounded to nearest whole dollar.

<sup>4</sup> Rate stated reflects Floor Rate.



## Minimum Payment Requirements

You can obtain advances of credit for 10 years (the “draw period”). During that period, payments will be due monthly. Your minimum payment will be equal to 1.50 percent of the “new balance,” rounded up to the nearest whole ten dollars, but not less than \$20.00. The payment will not change until a subsequent advance is taken. After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 5 years (the “repayment period”). Payments during the repayment period are calculated in the same way as during the draw period. The minimum monthly payment may not pay all of the principal. You will then be required to pay the entire remaining balance in a single “balloon” payment at the end of the repayment period.

## Minimum Payment Example

If you took a single \$10,000.00 advance and the **ANNUAL PERCENTAGE RATE** was 4.00% APR, it would take 6 years and 4 months to pay off the advance if you made only the minimum payments of \$150.00 per month until the final payment, which would be \$78.79.

## Fees and Charges

In most cases there are no closing costs\* in setting up your Prime Advantage home equity loan. Should you stop payment on a loan check or electronic request drawn on your Prime Advantage loan account, a Stop Payment fee of \$25.00 will apply. A Late Fee of \$35.00 will apply if your payment is received seven days or more after the due date. A Non-Sufficient Funds Fee of \$30.00 will apply should a check overdraft or electronic loan request exceed your credit limit. The Prime Advantage Platinum Visa Credit Card has a transaction fee for purchases and cash advances equal to 1% or 3% of the transaction for *International* transactions.

You may also be required to pay certain fees to third parties to open this line-of-credit. These fees generally total between \$250 and \$500. Upon your request, we will provide an itemization of the fees you will have to pay to a third party. Also, you must carry insurance on the property that secures the line-of-credit.

\* *Bridge loan fees may apply.*

## Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line-of-credit.

## Minimum Draw Requirement

The minimum credit advance that you can receive is \$250. Your total loan balance cannot exceed your credit limit as established by us.

## Variable Rate Information

The line-of-credit has a variable-rate feature, and the **ANNUAL PERCENTAGE RATE**

(corresponding to the daily periodic rate) can 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 and your credit score. The index is the Prime Rate published in the *Wall Street Journal*. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your credit line, we subtract or add a margin to the value of the index.

Upon your request, we will provide you with the current index value, margin and **ANNUAL PERCENTAGE RATE**. If you open a credit line, **ANNUAL PERCENTAGE RATE** information will be provided on periodic statements that we will send you.

## Rate Changes

The **ANNUAL PERCENTAGE RATE** can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% APR (the “cap”). There is no limit on the amount by which the rate can change during any one year period.

## Maximum Rate and Payment Example

If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% APR would be \$150.00. This maximum **ANNUAL PERCENTAGE RATE** could be imposed within the first month if the index and/or margin increase sufficiently.

## Historical Example

The following tables show how the **ANNUAL PERCENTAGE RATE** for a single \$10,000 credit advance would have changed based on changes in the index over the last 15 years. The values are from January 1 of each year. The values shown in the following tables are for Tier 1 rated members with a credit score of 720 or above.

The tables assume 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 **ANNUAL PERCENTAGE RATE** will change in the future. Rate information will be provided on or with each periodic statement you receive from us.