

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End Credit 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 any of 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 paid to us or anyone else in connection with your application.

Security Interest: We will take a security interest in your home through a Credit Line Deed of Trust. You certify that the home offered as security is currently your primary residence. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:**Termination and Acceleration**

We can terminate the Home Equity Open-End Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

Suspension or Reduction

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

- (a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (c) you are in default of a material obligation of this Plan;
- (d) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.

Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

Minimum Payment Requirements: You can obtain advances of credit for 10 year(s) (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest, plus any fees (if applicable).

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period will be a maximum of 15 year(s), but could be shorter if your monthly payment pays the outstanding balance down sooner. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal an amortized payment of the loan account balance or \$100, whichever is greater. This balance will be amortized over 180 months.

The minimum payment will change whenever the annual percentage rate changes. Your loan payments may recalculate each month in order for your loan to be paid in full during the repayment period. Under no circumstances will the repayment period extend beyond 15 years from the expiration or termination of the allowable draw period.

Balloon Payment: You may be required to pay the entire balance on your Home Equity Line of Credit in a single "balloon" payment if you terminate your Plan, or if you meet any of the conditions as listed above in the Termination and Acceleration section of this disclosure. If your Home Equity Line of Credit balance at any time has additions made to the principal balance to account for Collateral Protection Insurance, delinquent Property Taxes, or any miscellaneous charges that jeopardize our property or lien, these may cause your last payment to create a single "balloon" payment. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time, however, if this option is approved you may have to pay some or all of the closing costs associated with a new loan.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 20 years and 8 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 120 payments of \$39.58 followed by 127 payments of \$100.00, with a final payment of \$55.44. This payment example does not include fees for any optional products or services that you may elect to purchase.

Payment Due Date: Payment will be due on the 28th of each month.

Fees and Charges: To open and maintain an account, you may be required to pay the following fees to us:

Late Charges: For payments made more than 15 days after the due date, you may be required to pay a penalty of 5% of the minimum payment amount or \$15.00, whichever is greater.

To open your account, you may be required to pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total between \$_____ - \$_____. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

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.

Credit Advances: You may obtain advances under your plan by telephone, in person, by HELOC Credit Card, or electronically.

Transaction Requirements: There is no minimum requirement for initial advances or subsequent advances.

Tax Deductibility: You should consult a tax advisor regarding the deductibility of interest and charges for this Plan.

Initial Discount Rate: An initial discounted rate may be available under this Plan. Ask us for more information regarding your initial discount.

Refundability of Fees: If you decide not to enter into this Plan within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

Variable Rate Feature: This Plan has a variable rate and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' section of the Wall Street Journal. We will use the most recent index available to us as of the 10th business day prior to a rate change. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness and Loan-to-Value (LTV) Ratio to the value of the index.

Ask us for the current index value, margins and **ANNUAL PERCENTAGE RATES**. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The annual percentage rate can change semi-annually on the first day of April and October. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18%.

Maximum Rate and Payment Example: 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% would be \$150.00. The maximum Annual Percentage Rate during the draw period could be reached during the first month. 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% would be \$161.04. The maximum Annual Percentage Rate during the repayment period could be reached in the seventh month.

These payment examples do not include fees for any optional products or services that you may elect to purchase.

Prepayment: Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that we do so. The following applies with regard to prepayment:

Early Termination Fee; Lien: If you pay your line in full and close the Plan within 36 months of the date you opened the Plan, you will have to pay an Early Termination fee of \$300.00. We may take this fee from your savings or checking account or you may pay this fee in any other manner acceptable to us. The Early Termination Fee shall be secured by the Deed of Trust securing this Plan, and East Idaho Credit Union's Lien against the Property shall not be satisfied, nor the Deed of Trust released, until the Fee is paid in full. Additionally, the Fee will be added to the payoff amount (including the beneficiary's demand) and must be paid prior to the issuance of any reconveyance.

Historical Example: The following table shows how the percentage rate and the minimum 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 first Monday in March. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2006	7.50	0.00	7.50 (2)	\$62.50
2007	8.25	0.00	8.25	\$68.75
2008	6.00	0.00	6.00	\$50.00
2009	3.25	0.00	3.25	\$27.08
2010	3.25	0.00	3.25	\$27.08
2011	3.25	0.00	3.25	\$27.08
2012	3.25	0.00	3.25	\$27.08
2013	3.25	0.00	3.25	\$27.08
2014	3.25	0.00	3.25	\$27.08
2015	3.25	0.00	3.25	\$27.08
2016 (3)	3.50	0.00	3.50	\$100.00
2017	3.75	0.00	3.75	\$100.00
2018	4.50	0.00	4.50	\$100.00
2019	5.50	0.00	5.50	\$100.00
2020	4.75	0.00	4.75	\$100.00

1. This is a margin we have used recently; your margin may be different and based on your creditworthiness and LTV Ratio.
2. There may be a discounted rate for a period of time within the first year.
3. The repayment period begins in this year.