

**FINANCIAL BUILDERS
FEDERAL CREDIT UNION**

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**HOME EQUITY CREDIT PLAN AGREEMENT
EARLY DISCLOSURE**

Introductory Rate and Terms Available Through _____

This disclosure contains important terms about our Special Introductory Rate Home Equity Line of 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 within three business days of receiving this disclosure and the Home Equity Brochure, you decide not to enter into a home equity agreement with us; or 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 you have paid to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a mortgage, deed of trust, or other security interest in your home ("Collateral"). You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS: We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge certain fees if:

- * You engage in fraud or material misrepresentation in connection with the Plan or application.
- * You do not meet the repayment terms.
- * 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:

- * Any reasons mentioned above exist.
- * The value of the dwelling securing the Plan declines significantly below its appraised value for purposes of the Plan.
- * We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- * You are in default of a material obligation in the agreement.
- * Government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the Collateral is less than 120 percent of the credit line under the Plan.
- * A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- * The maximum annual percentage rate is reached.

The Credit Agreement and Addendum permit us to make certain changes to other terms of the Plan at specified times or upon the occurrence of specified events.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 120 months. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on changes in the interest rate and the balance at the time of the last advance, but in no event will it exceed 180 months. You will be required to make monthly payments during both the draw and repayment periods. Your minimum payment will be established at the time of each advance, or subsequent change in interest rate, to the amount necessary to fully amortize your then outstanding account balance by the agreement maturity date, subject to the lesser of \$50.00 or your account balance. We will round your payment up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. We will recalculate your payment each time you obtain an advance.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 300 months to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 4.00%. During that period, you would make 120 monthly payments of \$50.00 followed by 179 payments of \$56.00 and a final payment of \$11.92.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

TRANSACTION REQUIREMENTS: The minimum credit advance that you can receive is \$0.00.

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

VARIABLE RATE FEATURE: This plan has a variable rate feature. As a result, the annual percentage rate (corresponding to the periodic rate) and the length of the plan may change. 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 highest Prime Rate as published in the Wall Street Journal. We will use the most recent index value available to us as of 15 days before 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 plan, rate information will be provided on periodic statements that we send or otherwise provide or make available to you.

PROPERTY INSURANCE: You must carry insurance on the property that secures this Plan.

RATE CHANGES: The ANNUAL PERCENTAGE RATE can change quarterly on the first day of January, April, July, and October. There is no limit on the amount by which the ANNUAL PERCENTAGE RATE can change during any one-year period. The maximum ANNUAL PERCENTAGE RATE that can apply is 18%. Your ANNUAL PERCENTAGE RATE will not go below 4% at any time during the term of the Plan, except as decided by the Credit Union from time to time in its sole discretion. **Limited Exception to Minimum Rate.** Regardless of any statement to the contrary herein, the Credit Union, at its sole discretion, may waive the minimum ANNUAL PERCENTAGE RATE for creditworthy members from time to time during the term of your plan. Our waiver of the minimum ANNUAL PERCENTAGE RATE shall in no way impair our right to impose the minimum rate on any quarterly rate adjustment date as provided herein.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$151.00. This **ANNUAL PERCENTAGE RATE** could be reached at the time of the first (1st) payment after the effective period for any Special Introductory **ANNUAL PERCENTAGE RATE**.

ADDITIONAL PROVISIONS:

Fees and Charges: You must pay certain fees and/or charges to third parties to open the Plan. These fees generally total between \$175 and \$1,000. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

Historical Example: The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of February of each year. While only one payment per year is shown, payments may have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, 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.

PRIME RATE INDEX TABLE

Year (as of the first business day of February)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Payment Period	Monthly Payment (5)
2000	8.50	0.00	3.25 (2)	DRAW	\$50.00 (6)
2000	8.50	0.00	8.50 (3)	DRAW	\$71.00
2001	8.50	0.00	8.50	DRAW	\$71.00
2002	4.75	0.00	4.75	DRAW	\$50.00 (6)
2003	4.25	0.00	4.25	DRAW	\$50.00 (6)
2004	4.00	0.00	4.00	DRAW	\$50.00 (6)
2005	5.25	0.00	5.25	DRAW	\$50.00 (6)
2006	7.50	0.00	7.50	DRAW	\$59.00
2007	8.25	0.00	8.25	DRAW	\$65.00
2008	6.00	0.00	6.00	DRAW	\$50.00 (6)
2009	3.25	0.00	4.00 (4)	DRAW	\$50.00 (6)
2010	3.25	0.00	4.00 (4)	REPAYMENT	\$68.00
2011	3.25	0.00	4.00 (4)	REPAYMENT	\$68.00
2012	3.25	0.00	4.00 (4)	REPAYMENT	\$67.00
2013	3.25	0.00	4.00 (4)	REPAYMENT	\$67.00
2014	3.25	0.00	4.00 (4)	REPAYMENT	\$67.00

- (1) This represents a margin we have recently used.
- (2) This represents the 3.25% Introductory Rate for the 90-day period following the Date of Agreement.
- (3) This represents the Interest Rate following the expiration of the Introductory Rate period.
- (4) This represents the 4.00% Minimum Interest Rate.
- (5) This represents the rounding up of the payment to the nearest \$1.
- (6) This represents the minimum payment of \$50.00.

ACKNOWLEDGMENT OF RECEIPT: By signing below, you acknowledge receipt of this Early Disclosure.

Member - Borrower

Date

Co-Borrower

Date