



HOME EQUITY LINE-OF-CREDIT ("HELOC")

**This disclosure contains important information about our Home Equity Line-of-credit.
You should read it carefully and retain a copy for your records.**

Dear Member,

We are delighted to provide you with the following information on our **HOME EQUITY LINE-OF-CREDIT ("HELOC")**:

- Summary Description of the Program (presented below).
- Important Terms (presented on reverse).
- Booklet - "When your home is on the line: What you should know about Home Equity Lines of Credit."

We are required by Federal Law to provide you with this early disclosure. You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

Please read carefully:

1. **If your deed is jointly held or you live in a community property (AZ, CA, KS, LA, OH & WI), or dower state (AL, FL, KS, KY, MA, MO, NE, NJ, NC, OH, OK, TN, WV & WY), your spouse must be listed on the application.**
2. Your completed application authorizes us to obtain a property report, flood search, and appraisal. You will not be charged for these if you complete the application process, and if approved, sign the loan documents*. However, if you fail to do so, you will be responsible for reimbursing us for the cost of the appraisal estimated to be between \$25 and \$400, the cost of the property report estimated to be between \$80 and \$175, the cost of the flood search, \$16.50, and any recording fees estimated to be between \$14.00 and \$200.00 for most states**.
3. This loan can only be applied to primary residences or second homes. Investment properties are excluded.
4. The appraiser will contact you for an appointment. NOTE: You have the right to a copy of the appraisal report used in connection with your application for credit. If you would like a copy, please call or write us at the mailing address listed above. There is a fee of \$35.00 to provide you with a copy of the appraisal.
5. Your loan officer will contact you when the loan documents are ready for signature. State law requires that you (and the co-applicant) sign these documents in the presence of a notary. We have notary publics available in the Credit Union to notarize these documents.
6. Hazard insurance coverage must be provided in an amount equal to the total of the Credit Union's original loan amount plus the outstanding balance of any lien or mortgage in a priority position. We will contact your insurance agent to add the "APCI Federal Credit Union" as a mortgagee to your homeowner's insurance policy.
7. If your property is located in a special flood hazard area as designated in the Flood Disaster Protection Act of 1973, we require that you maintain a Federal Flood Policy or suitable substitute. Flood Insurance coverage must be provided in an amount equal to the total of the Credit Union's original loan amount plus the outstanding balance of any lien or mortgage in a priority position. We will contact your insurance agent to add the "APCI Federal Credit Union" as a mortgagee to your flood insurance policy.

Our Home Equity Loan Program is a flexible and attractive product to meet your financial needs. Please call our **Loan Services Line, (610) 481-5715 or 1-800-821-5104**, for additional information.

Very truly yours,
APCI Federal Credit Union

***Some states have a Mortgage Recording Tax. We will pay for mortgage recording fees up to \$200.00. Recording fees in excess of \$200.00 will be the responsibility of the borrower. **States with high recording taxes include but are not limited to New York, Maryland, Kansas, Florida, Minnesota, Virginia, Georgia, and the Parish of Orleans in Louisiana. Recording taxes in most other states will be under \$200.00.**

Summary Description of the Program

How It Works

The APCI FCU HELOC (Home Equity Line of Credit) is a line-of-credit with a variable interest rate. Advance/Transfer funds to your APCI Checking account and write a check or use your VISA Debit Card. Interest is calculated only on the amount used, and as you repay funds borrowed, your availability increases.

Advantages

Low interest rate; prime minus .50%.
Consolidate and make one loan payment per month.
Possible tax advantages - please consult your tax advisor.
Automatic payment from your Credit Union account is available.

Credit Line

Minimum \$5,000 - Maximum **\$500,000**.

Based on 80% of appraisal value less mortgage(s), judgment(s), or lien(s).

Access

Teller Phone and APCIRCUIT (Home Banking) advances to a particular Share Savings or Share Draft Checking account; **no minimum advance amount required.**

Monthly Invoice

Your monthly payment information will be listed on your monthly account statement.

Repayment Terms

Payments are calculated on a 10-year amortization of amount actually borrowed, with the following restrictions:

Minimum payment is \$100.

Payment is rounded to the next highest dollar.

Payment remains the same each month unless there is a new advance.

A change in the periodic interest rate may also cause an increase in the monthly payment.

Availability of Terms

All terms described 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 you 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 certain obligations in your agreement with us.

Possible Actions

Under certain circumstances, we can (a) terminate your line-of-credit, require you to pay us the outstanding balance in one (1) payment, and charge you certain fees; (b) refuse to make additional extensions of credit; (c) reduce your credit limit; and (d) make specific changes that are set forth in your agreement with us. If you ask, we will give you specific information concerning when we can take these actions.

Minimum Payment Requirements

You can obtain credit advances for three (3) years (the "draw period"). As long as there is an outstanding balance on your credit line, payments will be due monthly. Your minimum monthly payment will be equal to the greater of (a) the monthly payment calculated by amortizing the outstanding balance immediately after the most recent advance over a term of ten (10) years at the Annual Percentage Rate in effect at the time of this advance, rounded up to the next whole dollar, (b) the sum of \$100, or (c) the amount of your finance charge for the billing period. The amount of your minimum monthly payment will be recalculated automatically whenever there is a new advance on your credit line. **The length of the repayment period is ten (10) years from the date of your most recent advance, but this may increase or decrease if there are changes in the Annual Percentage Rate after this advance.**

Fees and Charges

There are no fees or other charges to open or maintain this line-of-credit. However, some states charge a recording tax based on the recorded lien amount. The APCI FCU will pay up to \$200 of all recording fees. Recording fees in excess of \$200.00 will be the responsibility of the borrower. Please see the front for a list of some of those states.

Hazard and Flood Insurance Requirements

Hazard Insurance coverage must be provided in an amount equal to the total of the Credit Union's original loan amount plus the outstanding balance of any lien or mortgage in a priority position. Please refer to front cover of this disclosure for additional information regarding Insurance coverage requirements.

Minimum Draw and Balance Requirements

There are no minimum draw or balance requirements.

Tax Deductibility

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

Variable Rate Information

The line-of-credit has a variable-rate feature and the Annual Percentage Rate (corresponding to the periodic rate) and the length of the repayment period 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. The index is the prime rate published in the Money Rates Section of *The Wall Street Journal*. If a range of rates is published, the higher rate will be used. To determine the Annual Percentage Rate that will apply to your line, we add/subtract a margin to the value of the index.

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

Rate Changes

The Annual Percentage Rate can change each month. The maximum ANNUAL PERCENTAGE RATE that can apply is 18%. **The minimum ANNUAL PERCENTAGE RATE that can apply is 4%.** Except for this "cap," there is no limit on the amount by which the interest rate can change during any one-year period.

Historical Example

The following table shows how the Annual Percentage Rate and the minimum monthly payments for a single \$10,000 credit advance in January 1995 would have changed based on changes in the index over the past 15 years. The index values are for January of each year. While only one (1) 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.

HISTORICAL TABLE
OF
ANNUAL PERCENTAGE RATES
AND
MINIMUM MONTHLY PAYMENTS
FOR A SINGLE \$10,000 CREDIT ADVANCE
JANUARY 1995 - JANUARY 2009

YEAR	INDEX %	MARGIN %	ANNUAL PERCENTAGE RATE	MINIMUM MONTHLY PAYMENT
1995	8.50	1.00	9.50	130
1996	8.25	0.25	8.50	130
1997	8.25	0.25	8.50	130
1998	8.25	0.25	8.50	130
1999	7.75	0.00	7.75	130
2000	8.25	0.00	8.25	130
2001	9.00	-0.51	8.49	130
2002	4.75	0.25	5.00	130
2003	4.25	0.00	4.25	130
2004	4.00	0.00	4.00	130
2005	5.25	0.00	5.25	N/A
2006	7.25	-0.25	7.00	N/A
2007	7.50	-0.50	7.00	N/A
2008	7.25	-0.50	6.75	N/A
2009	4.00	0.00	4.00	N/A

Minimum Payment Example

If you made only the minimum monthly payments and took no other credit advances, it would take **eleven (11)** years to pay off a credit advance of \$10,000 at an initial ANNUAL PERCENTAGE RATE of **6.75%**. During that period you would make **131** monthly payments of **\$115** and one (1) final payment of **\$75.34**.