

YOLO FEDERAL CREDIT UNION

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IMPORTANT TERMS of our EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. ALL TERMS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

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/Deed of Trust on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Mortgages/Deeds of Trust senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) for owner occupied plans, you fail to occupy and maintain the Security Property as your principal dwelling; (6) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (7) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (8) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (9) the maximum interest rate under the plan is reached; or (10) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Home Equity Plans

We offer two (2) Home Equity Lines of Credit. The Plans differ based on the occupancy status of the Security Property (Owner Occupied versus Non-Owner Occupied) and our assessment of your creditworthiness. The occupancy status of the property determines the maximum loan-to-value (LTV) ratio for your loan (the sum of the current outstanding debts secured by liens against the property plus the maximum credit limit established for your home equity line of credit, divided by the value of the property), and the minimum variable interest rate that may apply. Our assessment of your creditworthiness will determine the amount of the margin that will be used to calculate the variable interest rate for your loan. For Owner Occupied Plans, the LTV ratio must be equal to or less than 80.00%, the minimum interest rate will be 4.00%, and the margin used to calculate your interest rate will range from -0.50 to 1.00 percentage points, depending on your creditworthiness. For Non-Owner Occupied Plans, the LTV ratio must be equal to or less than 70.00%, the minimum interest rate will be 5.00%, and the margin used to calculate your interest rate will range from 2.00 to 3.00 percentage points, depending on your creditworthiness. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established at the close of each billing cycle to the amount necessary to fully amortize your then unpaid principal balance by the agreement maturity date.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the repayment period). The length of the repayment period will be 180 months. During the repayment period, your minimum periodic payment will be calculated in the same manner as during the draw period.

Minimum Payment Example

Owner Occupied

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.00%. During that period, you would make 120 monthly payments of \$52.78, followed by 179 monthly payments of \$52.78, and a final payment of \$53.78.

Non-Owner Occupied

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.25%. During that period, you would make 120 monthly payments of \$59.93, followed by 179 monthly payments of \$59.93, and a final payment of \$60.93.

Fees And Charges

To maintain a line of credit you must pay us an annual fee of \$50.00, and in addition you may have to pay certain fees to third parties. The fees you may have to pay to third parties generally total from \$1,000.00 - \$1,500.00. If you ask, we will give you an itemization of the fees you may have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan. As a condition of obtaining credit, we will not require you to provide such insurance in an amount that exceeds the replacement value of the Security Property.

Minimum Draw Requirements

The initial credit advance must equal or exceed \$5,000.00; and each subsequent advance must be at least equal to \$500.00.

Tax Deductibility

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

Variable-Rate

This plan has a variable-rate feature and the annual percentage rate (corresponding to the periodic rate), and the amount of your regularly scheduled payments 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 highest Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the 1st day of the 7th calendar month immediately following the day you establish your account, and subsequently, on the 1st day of each month thereafter. To determine the annual percentage rate that will apply to your line of credit, 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 line of credit, rate information will be provided in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change after the first six months your account is open, and then monthly thereafter.

The maximum **ANNUAL PERCENTAGE RATE** that can apply to your account at any time is the lesser of: (i) 18.00%; or (ii) a sum equal to your initial interest rate plus six (6.00) percentage points. Ask us for the specific rate limitations that will apply to your line of credit.

Owner Occupied

The minimum **ANNUAL PERCENTAGE RATE** that will apply to your account is 4.00%.

Non-Owner Occupied

The minimum **ANNUAL PERCENTAGE RATE** that will apply to your account is 5.00%.

Maximum Rate And Payment Examples

Owner Occupied

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 10.00% would be \$90.88. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 10.00% would be \$107.46. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Non-Owner Occupied

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 11.25% would be \$99.83. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 11.25% would be \$115.24. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2007. The index is from The Wall Street Journal and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the 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 the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2007	8.25	-0.50	2.00	7.75%	10.25%	DRAW	\$75.54	\$92.65
2008	7.25	-0.50	2.00	6.75%	9.25%	DRAW	\$69.25	\$85.79
2009	3.25	-0.50	2.00	4.00%	5.25%	DRAW	\$53.77	\$61.18
2010	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2011	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2012	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2013	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2014	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2015	3.25	-0.50	2.00	4.00% (3)	5.25%	DRAW	\$53.77	\$61.18
2016	3.50	-0.50	2.00	4.00% (3)	5.50%	DRAW	\$53.77	\$62.24
2017	3.75	-0.50	2.00	4.00% (3)	5.75%	REPAYMENT	\$53.77	\$63.25
2018	4.50	-0.50	2.00	4.00%	6.50%	REPAYMENT	\$53.77	\$66.18
2019	5.50	-0.50	2.00	5.00%	7.50%	REPAYMENT	\$57.04	\$69.95
2020	4.75	-0.50	2.00	4.25%	6.75%	REPAYMENT	\$54.75	\$67.29
2021	3.25	-0.50	2.00	4.00% (3)	5.25%	REPAYMENT	\$54.05	\$62.50

(1) This represents a margin (which we have recently used), annual percentage rate and minimum payment for our owner-occupied lines of credit.

(2) This represents a margin (which we have recently used), annual percentage rate and minimum payment for our non-owner-occupied lines of credit.

(3) This represents the 4.00% Minimum annual percentage rate for our owner-occupied lines of credit.