



Home Equity Line of Credit

Thank you for your interest in a Home Equity Line of Credit from Southland Credit Union. A Home Equity Line of Credit (HELOC) is secured by a Deed of Trust on 1 to 4 family homes within California, and must be in first or second position on the property. Southland's HELOC offers a variety of convenient features, and the interest on your loan may be tax deductible¹.

Home Equity Line of Credit Features:

- No origination fees or points
- Variable interest rate
- Borrow up to 90% of the appraised value (owner occupied only), less the balance of your first mortgage, if any.
- Credit lines available up to \$500,000, minimum line amount \$20,000.
- 10 year draw period with interest only minimum payments
- Convenient access to your funds with a HELOC Access Card and/or HELOC checks
- 15 year fully amortizing repayment after the draw period
- One time fixed rate option (only available after 3 years)

Please submit the required documentation listed below:

- A photocopy of your two (2) most recent pay stubs. **If you are self-employed**, complete and **signed** copies of your two (2) most recent federal tax returns with all schedules attached is required.
- A photocopy of your award letter from Social Security, **if you are receiving income from Social Security**.
- A photocopy of your Fire Insurance Policy or Homeowner's Association declaration page. The maximum deductible allowed is \$2,500.00.
- A photocopy of your most recent mortgage statement, if applicable
- A photocopy of the Note on your 1st Mortgage (needed to verify the terms of existing mortgage)
- A photocopy of your complete Trust agreement, if property is vested in a trust.

Please sign/complete and return the following:

- Information Disclosure
- Holden Fair Lending
- Statement of Information
- Home Equity Application
- Fire Insurance Notice

These documents may be **faxed to (866) 630-5792**

Receipt of these documents will expedite your loan decision and funding.

For assistance with your application, contact our Member Service Center at (800) 426-1917

All loans are subject to credit approval.

¹Mortgage interest tax deduction may be subject to income restrictions. Consult a licensed tax advisor regarding your ability to take this deduction.

APPLICATION



P.O. Box 3003
 Los Alamitos, CA 90720-1303
 800.426.1917 • fax 866.630.5792
 www.SouthlandCU.org
 NMLSR ID # 685526

Home Loans

| |
|-------------------------------------|
| LOAN ORIGINATOR NAME AND NMLSR ID # |
|-------------------------------------|

| | | |
|-------------|------------------------------|---------|
| ACCOUNT NO. | TOTAL AMOUNT REQUESTED \$ | PURPOSE |
|-------------|------------------------------|---------|

APPLYING FOR

Variable Rate Home Equity Line-of-Credit

Refinance of a Loan at _____
(NAME OF CURRENT LENDER)

\$ _____
(ESTIMATED VALUE OF PROPERTY)

(SUBJECT PROPERTY ADDRESS)

CHECK TYPE OF CREDIT REQUESTED

Individual Credit: Complete **Applicant** sections if only the applicant's income is considered for loan approval. Complete **Applicant/Non-Applciant Spouse/Co-Applciant** sections (1) if your co-applciant's income is also considered for loan approval; (2) if you reside in a Community Property State; (3) if you are relying on property located in a Community Property State as a basis for repayment of the credit requested; or (4) if you are an Alaska resident subject to a community property agreement or community property trust. Community Property States include: AZ, CA, ID, LA, NM, NV, TX, WA, and WI.

Joint Credit: Complete **Applicant/Non-Applciant Spouse/Co-Applciant** sections if your co-applciant will be contractually liable for repayment of the loan and initial below:
 We intend to apply for joint credit. _____ (Applicant Initials) _____ (Co-Applciant Initials)

Please also review the section entitled "DEMOGRAPHIC INFORMATION OF APPLICANT AND CO-APPLICANT".

MARITAL STATUS: CHECK ONE if you reside in or are relying on property in a community property state or if you are applying for secured credit or a joint account.

MARRIED (includes registered domestic partners) SEPARATED UNMARRIED

INFORMATION REGARDING APPLICANT

| | | | |
|---------------------------|----------------|----------------------|--------|
| NAME (LAST-FIRST-INITIAL) | | SOCIAL SECURITY NO. | |
| ADDRESS | | YRS. | MOS. |
| CITY | STATE | ZIP | E-MAIL |
| DATE OF BIRTH | HOME PHONE NO. | DRIVER'S LICENSE NO. | STATE |

INFORMATION REGARDING NON-APPLICANT SPOUSE CO-APPLICANT

| | | | |
|---------------------------|----------------|----------------------|---------------|
| NAME (LAST-FIRST-INITIAL) | | SOCIAL SECURITY NO. | |
| ADDRESS | | YRS. | MOS. RENT OWN |
| CITY | STATE | ZIP | E-MAIL |
| DATE OF BIRTH | HOME PHONE NO. | DRIVER'S LICENSE NO. | STATE |

APPLICANT EMPLOYMENT

| | | | |
|---------------|--------------------|----------------|------------------|
| EMPLOYER | | PHONE NO. | |
| ADDRESS | | CITY | STATE ZIP |
| DATE EMPLOYED | GROSS SALARY \$ | MONTHLY YEARLY | BI-WEEKLY WEEKLY |

NON-APPLICANT SPOUSE/CO-APPLICANT'S EMPLOYMENT

| | | | |
|---------------|--------------------|----------------|------------------|
| EMPLOYER | | PHONE NO. | |
| ADDRESS | | CITY | STATE ZIP |
| DATE EMPLOYED | GROSS SALARY \$ | MONTHLY YEARLY | BI-WEEKLY WEEKLY |

APPLICANT'S OTHER INCOME

YOU NEED NOT LIST INCOME FROM ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE UNLESS YOU WISH IT CONSIDERED FOR PURPOSES OF GRANTING THIS CREDIT.

| | |
|-----------------------|----------------|
| TYPES OF OTHER INCOME | MONTHLY AMOUNT |
|-----------------------|----------------|

NON-APPLICANT SPOUSE/CO-APPLICANT'S OTHER INCOME

| | |
|-----------------------|----------------|
| TYPES OF OTHER INCOME | MONTHLY AMOUNT |
|-----------------------|----------------|

| LIST ALL EXISTING DEBTS OF APPLICANT (and Co-Applicant or Non-Applicant Spouse/Other if applicable) | | | | | | |
|---|--|---|------------------------|---|---------------------------------|--|
| Applicant Co-Applicant | Name and Address of Creditor | | Purpose or Account No. | Original Amount | Present Balance | Monthly Payment |
| | | Home Mortgage or LandLord | | | \$ | \$ |
| | Credit Union | | | \$ | \$ | \$ |
| | Credit Card | | | \$ | \$ | \$ |
| | | | | \$ | \$ | \$ |
| | | | | \$ | \$ | \$ |
| | | | | \$ | \$ | \$ |
| | | | | \$ | \$ | \$ |
| | Automobile Loan | Automobile Make, Model and Year | | | \$ | \$ |
| | Automobile Loan | Automobile Make, Model and Year | | | \$ | \$ |
| | List Alimony, Child Support or Child Care Paid Monthly | | | | | \$ |
| Do Not Omit Any Debts! If More Space is Needed, Use Page 3 or Separate Sheet. Incomplete Applications Cannot Be Processed. | | | | | Total Monthly Obligations \$ | |
| If you Answer "Yes" to Any of These Questions, Provide Details on Separate Sheet. | | | | | | |
| Are any of your debts past due? | | Have you ever had your Auto, Furniture or Property repossessed? | | Have you or your Co-Applicant ever declared bankruptcy? | | Are you currently a Co-Maker, Endorser or Guarantor on a loan? |
| Yes No | | Yes No | | Yes No | | Yes No |

LOAN APPLICATION SIGNATURES

Please Read Before Signing:

All the information in this application is true. I understand that section 1014 Title 18 U.S. Code makes it a crime to knowingly make a false statement on this application. You have my permission to verify any information contained in this application from any source named in this application. You may retain this application even if not approved. I understand that you may receive information from others about my credit history and you may answer questions and requests from others seeking credit or experience information about me or my accounts with you. If this application is approved, I agree to honor the provisions of the Home Equity Credit Line Agreement and Truth-in-Lending Disclosure Statement covering my loan. (If this application is for two of us, this statement applies to both of us.)

I acknowledge receipt of a copy of the HomeEquity Credit Plan Predisclosures and Handbook entitled "What You Should Know About Home Equity Lines of Credit."

Consumer and Credit Report Authorization. By signing this Application, I authorize you to obtain my consumer and/or credit report for the purposes of evaluating this application and to obtain subsequent credit reports on an on-going basis in connection with this transaction, and for all other legitimate purposes, such as reviewing my accounts or taking collection action on the account. I authorize you to receive and review other information about me, such as my employment and income information, from third-parties or consumer reporting agencies.

Permission to contact: By providing a wireless telephone number (i.e., cell phone), I consent to receiving calls, including autodialed and prerecorded message calls, from the credit union or its third party debt collector at that number.

IMPORTANT NOTICE ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for me: When I open an account, you will ask for my name, address, date of birth, and other information that will allow you to identify me. You may also ask to see my driver's license or other identifying information.

| | |
|-----------------------|------|
| Applicant's Signature | Date |
| X | |

| | |
|--|------|
| Non-Applicant Spouse/Co-Applicant's Signature, if applicable | Date |
| X | |

Have you omitted anything? Remember: Incomplete applications cannot be processed.

PLEASE ATTACH COPY OF CURRENT PAYCHECK STUBS OR OTHER PROOF OF INCOME.

DEMOGRAPHIC INFORMATION OF APPLICANT AND CO-APPLICANT.

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, race, and sex) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race". The law provides that we may not discriminate on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, race, and sex on the basis of visual observation or surname. If you do not wish to provide some or all of this information, please check below.

Applicant:

Ethnicity: - *Check one or more*

- Hispanic or Latino
 - Mexican
 - Puerto Rican
 - Cuban
 - Other Hispanic or Latino - *Print origin, for example, Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on:* _____

- Not Hispanic or Latino
- I do not wish to provide this information

Race: *Check one or more*

American Indian or Alaska Native - *Print name of enrolled or principal tribe:* _____

- Asian
 - Asian Indian
 - Chinese
 - Filipino
 - Japanese
 - Korean
 - Vietnamese
 - Other Asian - *Print race, for example, Hmong, Laotian, Thai, Pakistani, Cambodian, and so on:* _____

- Black or African American
- Native Hawaiian or Other Pacific Islander
 - Native Hawaiian
 - Guamanian or Chamorro
 - Samoan
 - Other Pacific Islander - *Print race, for example, Fijian, Tongan, and so on:* _____

- White
- I do not wish to provide this information

Sex: Female Male

I do not wish to provide this information

Co-Applicant:

Ethnicity: - *Check one or more*

- Hispanic or Latino
 - Mexican
 - Puerto Rican
 - Cuban
 - Other Hispanic or Latino - *Print origin, for example, Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on:* _____

- Not Hispanic or Latino
- I do not wish to provide this information

Race: *Check one or more*

American Indian or Alaska Native - *Print name of enrolled or principal tribe:* _____

- Asian
 - Asian Indian
 - Chinese
 - Filipino
 - Japanese
 - Korean
 - Vietnamese
 - Other Asian - *Print race, for example, Hmong, Laotian, Thai, Pakistani, Cambodian, and so on:* _____

- Black or African American
- Native Hawaiian or Other Pacific Islander
 - Native Hawaiian
 - Guamanian or Chamorro
 - Samoan
 - Other Pacific Islander - *Print race, for example, Fijian, Tongan, and so on:* _____

- White
- I do not wish to provide this information

Sex: Female Male

I do not wish to provide this information

To Be Completed by Financial Institution (for an application taken in person):

Was the ethnicity of the applicant collected on the basis of visual observation or surname? Yes No

Was the race of the applicant collected on the basis of visual observation or surname? Yes No

Was the sex of the applicant collected on the basis of visual observation or surname? Yes No

Was the ethnicity of the co-applicant collected on the basis of visual observation or surname? Yes No

Was the race of the co-applicant collected on the basis of visual observation or surname? Yes No

Was the sex of the co-applicant collected on the basis of visual observation or surname? Yes No



STATEMENT OF INFORMATION
CONFIDENTIAL INFORMATION FOR YOUR PROTECTION

Completion of this statement expedites your application for title insurance, as it assists in establishing identity, eliminating matters affecting persons with similar names and avoiding the use of fraudulent or forged documents.

ESCROW NO.: LOCATE NO.: TITLE NO.:

NAME AND PERSONAL INFORMATION

First Name Middle Name Last Name Maiden Name Date of Birth
Home Phone Business Phone Birthplace
Social Security No. Driver's License No.
List any other name you have used or been known by
State of residence I have lived continuously in the U.S.A. since

Are you currently married? If yes, complete the following information:
Date and place of marriage

Spouse: First Name Middle Name Last Name Maiden Name Date of Birth
Home Phone Business Phone Birthplace
Social Security No. Driver's License No.
List any other names you have used or been known by
State of residence I have lived continuously in the U.S.A. since

Are you currently a registered domestic partner? If yes, complete the following information:
Domestic Partner: First Name Middle Name Last Name Maiden Name Date of Birth
Home Phone Business Phone Birthplace
Social Security No. Driver's License No.
List any other names you have used or been known by
State of residence I have lived continuously in the U.S.A. since

CHILDREN

Child Name: Date of Birth: Child Name: Date of Birth:
Child Name: Date of Birth: Child Name: Date of Birth:
(If more space is required, use reverse side of form)

RESIDENCES (LAST 10 YEARS)

Number & Street City From (date) to (date)
Number & Street City From (date) to (date)
(If more space is required, use reverse side of form)

OCCUPATIONS/BUSINESSES (LAST 10 YEARS)

Firm or Business name Address From (date) to (date)
Firm or Business name Address From (date) to (date)
(If more space is required, use reverse side of form)

ESCROW NO.:

LOCATE NO.:

TITLE NO.:

SPOUSE'S/DOMESTIC PARTNER'S OCCUPATIONS/BUSINESSES (LAST 10 YEARS)

Firm or Business name _____ Address _____ From (date) to (date) _____

Firm or Business name _____ Address _____ From (date) to (date) _____
(If more space is required, use reverse side of form)

PRIOR MARRIAGE(S)

Any prior marriages for either spouse? _____ If yes, complete the following:

Prior spouse's (Party A) name: _____ Prior Spouse of Party A: _____

Marriage terminated by: Death _____ Divorce _____ Date of termination _____

Prior spouse's (Party B) name: _____ Prior Spouse of Party B: _____ Spouse _____

Marriage terminated by: Death _____ Divorce _____ Date of termination _____

(If more space is required, use reverse side of form)

PRIOR DOMESTIC PARTNERSHIP(S)

Any prior domestic partnerships for either person? _____ If yes, complete the following:

Prior partner's name: _____ Prior Partner: _____

Partnership terminated by: Death _____ Dissolution _____ Nullification _____ Termination _____ Date of termination _____

Prior partner's name: _____ Prior Partner: _____

Partnership terminated by: Death _____ Dissolution _____ Nullification _____ Termination _____ Date of termination _____

(If more space is required, use reverse side of form)

INFORMATION ABOUT THE PROPERTY

Buyer intends to reside on the property in this transaction: Yes _____ No _____

Owner to complete the following items

Street Address of Property in this transaction: _____

The land is unimproved _____; or improved with a structure of the following type: A Single or 1-4 Family _____ Condo Unit _____ Other _____

Improvements, remodeling or repairs to this property have been made within the past six months: Yes _____ No _____

If yes, have all costs for labor and materials arising in connection therewith been paid in full? Yes _____ No _____

Any current loans on property? _____ If yes, complete the following:

Lender _____ Loan Amount _____ Loan Account # _____

Lender _____ Loan Amount _____ Loan Account # _____

The undersigned declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____, _____ at _____

Signature _____ Signature _____

(Note: If applicable, both spouses/domestic partners must sign.)

THANK YOU.

INFORMATION DISCLOSURE AUTHORIZATION

To Whom It May Concern:

I/we hereby authorize you to release to Southland Credit Union for verification purposes, information concerning:

- Employment history, dates, title, income, hours worked, etc.
- Banking and Savings Accounts of record.
- Mortgage Loan rating (opening date, high credit, payment amount, loan balance, and payment record.)
- Any other information deemed necessary in connection with a consumer credit report for a real estate transaction.

This information is for the confidential use in compiling a mortgage loan credit report for a VA/FHA or a conventional home loan lender.

A photographic or carbon copy of this authorization (being a photographic or carbon copy of the signature (s) of the undersigned) may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply will help expedite my real estate transaction.

Thank You,

Signature

Print Name

Social Security Number

Signature

Print Name

Social Security Number





P.O. Box 3003 • Los Alamitos, CA 90720-1303
800.426.1917 • fax 866.630.5792
www.SouthlandCU.org

HOLDEN ACT FAIR LENDING NOTICE

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate that consideration of these conditions in the particular case is required to avoid an unsafe and unsound business practice; or
2. Race, color, religion, sex, marital status, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one-to-four unit family residences occupied by the owner, and for the purpose of the home improvement of any one-to-four unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the:

DEPARTMENT OF BUSINESS OVERSIGHT
ATTN: Consumer Services
1515 K Street, Suite 200
Sacramento, CA 95814
(866) 275-2677

ACKNOWLEDGEMENT OF RECEIPT

I (We) received a copy of this notice.

Signature of Applicant

Date

Signature of Applicant

Date



P.O. Box 3003 • Los Alamitos, CA 90720-1303
800.426.1917 • fax 866.630.5792
www.SouthlandCU.org

When real estate collateral is used for a Credit Union loan, the Credit Union requires proof of the following:

- Fire and Extended Coverage Insurance for the entire term of the Deed of Trust
- A copy of the insurance policy, together with a "Lender's Loss Payable Endorsement" (#438 BFU) or "Mortgage Clause Endorsement" (#372) in favor of:

Southland Credit Union
P.O. Box 3003
Los Alamitos, California 90720-1303

It is important that the insurance requirements are complied with and that evidence of the insurance coverage is forwarded to the Credit Union as soon as possible. Copies of renewal policies must also be sent to the Credit Union.

Thank you in advance as your cooperation is sincerely appreciated.

I agree to comply with the insurance requirements by furnishing Southland Credit Union with copies of the fire and extended coverage insurance policy on the property commonly known as:

The Credit Union does not assume responsibility or liability in notifying a member regarding any insurance renewal or cancellation notice.

Please sign and return this form to the Credit Union.

Borrower's Signature _____ Date _____

Borrower's Name (print) _____ Member Number _____

Co-Borrower's Signature _____ Date _____

Co-Borrower's Name (print) _____ Member Number _____



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800.426.1917 • fax 866.630.5792
www.SouthlandCU.org

**RIGHT TO RECEIVE
A COPY OF APPRAISALS**

| NAME | DATE | ACCOUNT NUMBER |
|------|------|----------------|
|------|------|----------------|

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close.

You can pay for an additional appraisal for your own use at your own cost.



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Credit Plan Predisclosure

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 Mortgage on your home. 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 credit advances for 10 years (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest.

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 is 15 years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal an amount sufficient to repay your outstanding balance in 180 substantially equal monthly installments with a minimum of \$100.00. During the repayment period, any increase or decrease in the **ANNUAL PERCENTAGE RATE** will result in an increase or decrease in the amount of your minimum monthly payment.

The minimum monthly payment will also include, as applicable, any amounts due for optional products such as credit insurance or debt protection; any amounts for which you have exceeded your credit limit and corresponding over-the-limit fees; any amounts past due and corresponding late fees; and any other amounts due for any other charges incurred.

Balloon Payment: The minimum payment may not reduce the principal that is outstanding on your line by the final payment date. You will then be required to pay the entire balance in a single "balloon" payment. You will also be required to immediately pay the entire balance in a balloon payment if you terminate your Plan. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you money. If you refinance the balloon, you may have to pay some or all of the closing costs normally associated with a new loan.

Term Out Option: The Term Out Option allows you to convert all of your outstanding balance to a fixed rate. It is available only after the Plan has been open for three years. You may elect this option once during the draw period; it is not available during the repayment period. The fixed rate will be the rate in effect for our 15 year Home Equity loan that you qualify for at the time the term out option is elected. Once the term out option has been elected, the draw period will end, you will no longer be able to obtain credit advances, and your loan will begin the repayment period. Your minimum monthly payment will equal an amortized payment of the loan account balance or \$100.00 whichever is greater. This balance will be amortized over 180 months.

Minimum Payment Examples: If you made only the minimum monthly payment and took no other credit advances, it would take 22 years and 4 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 6.75%. During that period, you would make 120 monthly payment(s) of \$56.25 followed by 147 monthly payments of \$100.00, with a final payment of \$37.93.

Fees and Charges: In order to open and maintain an account, you must pay certain fees and charges. The following fees must be paid to us:

- Reconveyance Fee: \$ _____
- Application Fee: \$ _____
- Annual Fee: \$50.00 (Waived with a minimum \$10,000 outstanding for 30 days during the year)
- Late Fee: 5% of each delinquent payment, minimum \$25.00, assessed on the 16th day of delinquency.
- Points: 1% of Line Amount for Investment Property only.
- Transaction Fee for Subsequent Advances: _____
- Mutual Modification (Processing) Fee: Up to \$1,000.00
- Demand Fee: \$ _____
- Other (specify): \$ _____

The Mutual Modification Fee is payable at the time of a mutual modification of the Note.

Good Faith Estimate of Third party Fees and Charges: A Good Faith Estimate of Fees that may be imposed by such third parties is as follows:

| | | |
|---------------------------------|-----------------------------|-----|
| Appraisal Fees (Single Family): | \$ _____ to _____ | (e) |
| Recording Fees: | \$ _____ to _____ | (e) |
| Credit Report Fees: | \$ N/A to N/A | (e) |
| Title Insurance Fees: | \$ _____ to _____ | (e) |
| Processing Fees: | \$ _____ to _____ | (e) |
| Flood Certification Fee: | \$ _____ to _____ | (e) |
| Other (specify): | \$ _____ to _____ | (e) |

An (e) means that the charge is an estimate.

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.

Access to the Plan: You may obtain advances under your plan by mail, by telephone, in person, by Visa credit card, or by check.

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.

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. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness 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 monthly on the first of each month. The rate cannot increase by more than 5 percentage points in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15%. The **ANNUAL PERCENTAGE RATE** will not fall below 4.00% during the Plan.

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 15% would be \$125.00. The maximum annual percentage rate during the draw period, could be reached in the 13th month (1 year, 1 month) following an initial hold of 1 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 15% would be \$139.96. The maximum annual percentage rate during the repayment period, could be reached in the 25th month (2 years, 1 month).

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 \$500.00. 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 Southland 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 April. 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) |
|----------|-----------|-------------------------|---------------------------|------------------------------|
| 2005 | 5.75 | 1.25 | 7.00 | \$58.33 |
| 2006 | 7.75 | 1.25 | 9.00 | \$75.00 |
| 2007 | 8.25 | 1.25 | 9.50 | \$79.17 |
| 2008 | 5.25 | 1.25 | 6.50 | \$54.17 |
| 2009 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2010 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2011 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2012 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2013 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2014 | 3.25 | 1.25 | 4.50 | \$37.50 |
| 2015 (2) | 3.25 | 1.25 | 4.50 | \$100.00 |
| 2016 | 3.50 | 1.25 | 4.75 | \$100.00 |
| 2017 | 4.00 | 1.25 | 5.25 | \$100.00 |
| 2018 | 4.75 | 1.25 | 6.00 | \$100.00 |
| 2019 | 5.50 | 1.25 | 6.75 | \$100.00 |

1. This is a margin we have used recently; your margin may be different, and based on your creditworthiness.

2. The repayment period begins in this year.