



Lender: TelComm CU
2155 E Sunshine St
SPRINGFIELD, MO 65804

HOME EQUITY EARLY DISCLOSURE

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT LOAN

This disclosure contains important information about our Home Equity Line of Credit. 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 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 pay to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us. **YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY A JUNIOR MORTGAGE.**

POSSIBLE ACTIONS: We can terminate your line and require you to pay us the entire outstanding balance in one payment and charge you certain fees if (1) you engage in fraud or material misrepresentation in connection with the line; (2) you do not meet the repayment terms, or (3) 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, or both, if (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for or impairs the priority of our security interest such that the value of the interest is less than 120 percent of the credit line; (6) the maximum annual percentage rate is reached; (7) the creditor is notified by its regulatory agency that continued advances constitute an unsafe and unsound practice.

The initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 10 years. This period is called the "draw period." The Minimum Payment is the amount, if any, by which your outstanding principal loan balance exceeds your Credit Limit, plus: (a) the amount of late charges and any other charges authorized by this Agreement, including, without limitation, any expenses or advances incurred by us under the Security Instrument; and (b) the amount to fully amortize your balance as of the date your last advance, over 240 months.

After the draw period ends you will no longer be able to obtain advances and the repayment period will begin. The length of the repayment period will be up to 20 years. The Minimum Payment during the draw period is the amount, if any, by which your outstanding principal loan balance exceeds your Credit Limit, plus: (a) the amount of late charges and any other charges authorized by this Agreement, including, without limitation, any expenses or advances incurred by us under the Security Instrument; and the amount to fully amortize your balance as of the date your last advance, over 240 months.

The total length of the loan is up to 30 years. The minimum payment may not fully reduce the principal that is outstanding on your loan by the maturity date. You may then be required to make a single balloon payment at the maturity date. 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, and you may have to pay some or all of the closing costs.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other advances, it would take 20 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.500%. During that period, you would make 240 payments of \$86.78.

FEES AND CHARGES: You may also be required to pay certain fees to third parties (such as appraisers, credit reporting firms, and government agencies) to open a line. These fees generally total between \$350.00 to \$850.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties. You will also be required to pay an origination fee of \$500. A late charge on any monthly payment not paid after 15 calendar days from the date the payment is required. The amount of the charge will be \$50.00; provided, however, we may not charge this late charge to the extent prohibited by applicable law. If you engage a broker to arrange a line of credit for you, you may be charged fees by the broker for his/her services.

FEE REIMBURSEMENT: TelComm CU may pay the third-party fees for you. However, if you request an amendment to your loan (i.e. increase your credit line), request a refinance or close your loan within 12 months of the opening date, you will have to reimburse TelComm CU for all fees paid on your behalf.

PROPERTY INSURANCE: In addition to these fees and charges, you must carry insurance (including, without limitation flood insurance if required) on the property that secures the line. You may select the insurance company or agent of your choice, provided the insurance company and coverage meet our requirements.

REFUNDABILITY OF FEES: If you decide not to enter into this loan 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 \$0.01 for the first advance and \$0.01 for each subsequent advance.

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

VARIABLE RATE FEATURE: This loan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may 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 published in the Money Rates table of the Wall Street Journal. To determine the annual percentage rate that will apply to your line, we add or subtract a margin to the value of the index. The margin that will apply will be based on your creditworthiness. When a range of rates has been published the highest rate will be used. We will use the most recent index value available to us as of one day before the date of any annual percentage rate adjustment.

Ask us for the current index value, margins, discount and annual percentage rates. Margins vary depending on combined loan to value ratios, underwriting criteria and certain account features. After you open a credit line, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change monthly. The **ANNUAL PERCENTAGE RATE** cannot increase more than 8.000 percentage points above the initial rate or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.000% at any time during the term of the loan. Ask us for the specific rate limitations that will apply to your credit line.

MAXIMUM RATE AND PAYMENT EXAMPLES: This payment example is based on a credit limit of \$10,000.00. If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$154.33. 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 \$154.33. This annual percentage rate could be reached during the first month of the repayment period.

HISTORICAL EXAMPLE: The following table shows how the annual percentage rate and the minimum monthly payments for a single credit advance of \$10,000 would have changed based on changes in the index over the past 15 years. The index values are from the first business day of January of each year. While only one payment per year is shown, payments may have varied during each year.

The table assumes a single credit advance of \$10,000.00, and that no additional credit advances were taken, and that 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.

WALL STREET JOURNAL PRIME RATE INDEX TABLE

Year (as of the first business day of January each year)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2010	3.250	0.00	4.000 ⁽²⁾	60.60
2011	3.250	0.00	4.000 ⁽²⁾	60.60
2012	3.250	0.00	4.000 ⁽²⁾	60.60
2013	3.250	0.00	4.000 ⁽²⁾	60.60
2014	3.250	0.00	4.000 ⁽²⁾	60.60
2015	3.250	0.00	4.000 ⁽²⁾	60.60
2016	3.500	0.00	4.000 ⁽²⁾	60.60
2017	3.750	0.00	4.000 ⁽²⁾	60.60
2018	4.500	0.00	4.500	63.26
2019	5.500	0.00	5.500	68.79
2020	4.750	0.00	4.750	64.62
2021	3.250	0.00	4.000 ⁽²⁾	60.60
2022	3.250	0.00	4.000 ⁽²⁾	60.60
2023	7.500	0.00	7.500	80.56
2024	8.500	0.00	8.500	86.78

⁽¹⁾ This is a margin we have used recently; your margin may be different.

⁽²⁾ This ANNUAL PERCENTAGE RATE reflects a 4.00% floor.