



PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure

This Program Disclosure contains important information about the Logix Federal Credit Union (Logix) PrimeLine Home Equity Line of Credit. Please read this Program Disclosure carefully and retain it for your records.

General: The PrimeLine Home Equity Line of Credit ("HELOC" or "line of credit" or "Account") is a revolving line of credit secured by the borrower's principal residence. The HELOC permits borrowers to obtain credit advances (or draws) up to a specific credit limit throughout the term of the loan as long as credit is available. The HELOC has a 15 year term and is a variable-rate loan with the index based on the Prime Rate as published in the Wall Street Journal. Interest only payments are required monthly with the outstanding principal balance due at maturity as a "Balloon" 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 that you have 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 default or do not meet the obligations in your agreement with us.

Minimum Credit Limit and Minimum Draw/Advance Requirements: The minimum Credit Limit for a Home Equity Line of Credit is \$25,000. There is no minimum draw amount or required initial advance. The minimum draw amount for HELOC checks is \$500.

Possible Actions: Under certain circumstances, we can (1) terminate your Account and require you to pay us the entire outstanding balance in one payment, and also change certain fees; (2) refuse to make additional advances or extensions of credit; (3) reduce your credit limit; and (4) make specific changes to the terms that are set forth in your Agreement with us. If you ask, we will provide you with specific information about the circumstances under which we could take these actions.

Minimum Monthly Payment: The Minimum Monthly Payment will equal the finance charges that accrued on the outstanding principal balance during the preceding month/billing cycle. In addition, you must also pay any amount past due, and any amount by which you have exceeded your credit limit and all other charges. **Minimum monthly payments will not reduce the principal balance that is outstanding on your line of credit.** You may make larger payments at any time. You understand and agree that your **Minimum Monthly Payment is applied in the following order:** (a) late charges and other charges, if any, (b) FINANCE CHARGES, and (c) unpaid balance (principal).

Balloon Feature: If you make only the required Minimum Monthly Payment each month, or you pay an amount which will not fully repay the outstanding principal balance by the Maturity Date, you must pay off your entire remaining balance on the Maturity Date in a single "**Balloon**" Payment which may be much larger than the preceding payments.

Minimum Payment Examples: If you took a single \$10,000 advance and made no other payments other than the required Minimum Monthly Payment amount, and the Annual Percentage Rate was 6.24% (the

January 2019 Index Value of 5.50% plus a Margin of 0.74%) for the term of the line of credit, the Minimum Monthly Payment would vary between \$51.29 and \$53.00 per month for 180 months, and you would be required to pay the entire balance of \$10,000 in a single "**balloon**" payment on the maturity date.

Fees and Charges: There are no upfront fees or charges to you in connection with obtaining a HELOC when the requested credit limit is **\$250,000 or less** and you do not repay and close your HELOC within the first 36 months following the date your line of credit is established.

If you repay and close your HELOC within the first 36 months following the date your line of credit is established, we will assess a **Termination Fee for Early Closure** and you must reimburse the us for all upfront fees and charges waived on your Account, but which were paid by us to third parties in connection with the origination for your line of credit. Generally, early termination costs do not exceed \$700.

If you request a credit limit greater than \$250,000, we will charge you for those costs to be paid to third parties in connection with obtaining an appraisal and title report. These fees are tied to the loan amount and can range from \$1,500 to \$2,000.

In addition, if your property is located in Maine, Maryland, Massachusetts, New Hampshire, or Virginia, you must pay Attorneys' fees and related costs incurred in connection with issuing or executing any required documentation and facilitating the closing process. These fees and related costs range from \$300 to \$700. If you ask, we will provide you with an itemization of the fees to be paid to third parties. The above fees and charges must be paid by the date the Account is established.

Other Fees and Charges:

- Annual Fee:None
- Late Charges: If any payment is more than 4 days late or is less than the Minimum Monthly Payment, a Late Charge will be assessed equal to 10% of the interest due, or \$10, whichever is greater.
- Checks returned unpaid for HELOC Payment - per item:\$29
- Over-the-limit Fee per occurrence:.....\$29
- NSF Home Equity Check Issued Over Credit Limit and/or on a Delinquent Account - per item:\$30
- Stop Payment on Home Equity Check - per item:.....\$20
- Research/Copy Fee, if more than one hour, per hour charge.....\$25
(Fee is waived if it is determined it was our error.)
- Reconveyance Processing Fee – CA maximum.....\$45
- Reconveyance Processing Fee – Other States maximum.....\$75
- Document Recording Fee – CA only (per document).....\$75
(up to a maximum of \$225)
- Beneficiary's Demand: If we receive a Beneficiary's Demand, a fee of \$30 or the maximum permitted under applicable law, will be charged to furnish the information.

Prepayment: You may repay your Home Equity Line of Credit in whole or in part at any time without penalty after the account has been open for 36 months. However, see **Termination Fee for Early Closure**,

whereby certain upfront fees and charges which were waived at origination may be charged to you.

Property Insurance: You must carry adequate insurance on the property that secures this Home Equity Line of Credit.

Negative Amortization: If you do not pay the Minimum Monthly Payment in full each month, your payments may not cover the Finance Charges that will accrue, in which case "Negative Amortization" may occur. This means that even though you are making monthly payments, the Finance Charges not covered by your payments will increase the amount that you owe on the loan and this will reduce the equity in your home by increasing the amount of the outstanding balance owed on your obligation.

Loan Term, Draw/Advance, and Repayment Periods: The Home Equity Line of Credit loan term is Fifteen (15) years. You can obtain draws/advances under the line of credit for the entire term of the loan up to the maturity date, subject to the availability of credit in the Account. Repayment in full is due on the Maturity Date.

Variable Rate Information: The line of credit has a variable-rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result. **The Annual Percentage Rate includes only interest and not other costs.**

The Annual Percentage Rate is based on an Index Value plus a Margin. The Margin is a specific number of percentage points which is added to the Index Value to calculate the Annual Percentage Rate that we will apply to the line of credit at origination and when the rate adjusts. **Ask us for the current Index Value and Margin, as well as the current Annual Percentage Rate.** After you open a PrimeLine HELOC, rate information will be provided on the periodic statements that we send to you.

The Index: The Index is the Prime Rate as published in the Wall Street Journal on the first day of each calendar month, rounded up to the nearest one-quarter of one percent (0.250%)(the Index Value). Details of the Prime Rate are located in the "Money Rates" section of the Wall Street Journal and are published daily. Should the index be discontinued or otherwise be made unavailable during the term of your line of credit we will choose a new index that is based on comparable information and will provide you notice of this change.

Rate Changes: Increases and decrease in the Annual Percentage Rate resulting from changes in the Index can occur monthly on the first day of each calendar month of each year during the term of the Account (the "Change Date"). On the first day of each calendar month we will adjust the Annual Percentage Rate on the Account subject to the Limits on Rate Changes as set forth below, to agree to a newly computed Annual Percentage Rate based on the Index Value in effect as of the first day of the current month, plus the Margin. If there is no change in the Index Value on the Change Date the Annual Percentage Rate will not change.

Introductory Discounted Rate (the Intro Rate): From time to time we may offer an Introductory Discounted Rate on new PrimeLine Home Equity Lines of Credit for a limited period of time. When the Intro Rate Offer is available you should refer to the **PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure Addendum for Intro Rate Offer**, which is incorporated herein by this reference, for additional information. The Intro Rate Offer is subject to availability.

Limits on Rate Changes: The Annual Percentage Rate cannot increase or decrease by more than two percentage points (2.00%) on any monthly Change Date, nor can the Annual Percentage Rate increase or decrease by more than two percentage points (2.00%) in any consecutive 12-month period. This limitation is called the "Periodic Rate Cap". The Annual Percentage Rate will never be more than 18%, nor less than the Index Value plus your Margin (unless a lower Introductory Rate is in effect).

Maximum Rate and Payment Example: If you had an outstanding balance of \$10,000, the Minimum Monthly Payment at the maximum Annual Percentage Rate of 18% would vary between \$138.08 and \$152.88 per month. If your initial Annual Percentage Rate was 6.24% (the January 2019 Index Value plus the Margin) the maximum Annual Percentage Rate of 18% could be reached at the beginning of the seventh (7th) year.

Variable-Rate 15-Year Historical Example: The following table shows how the Annual Percentage Rate and the Minimum Monthly Payments for an initial \$10,000 credit advance would have changed based on changes in the Prime Rate index over the last 15 years. The Index Values are as of the first week of January of each year. The table assumes no additional credit advances were taken only Minimum Monthly Payments were made each month, and that the rate remained constant during each year. **This table does not necessarily indicate how the Index or your payments will change in the future.**

VARIABLE-RATE 15-YEAR HISTORICAL EXAMPLE:

| Year as of January | Index Value | Margin (1) | Annual Percentage Rate (APR) * | Minimum Monthly Payment (2) |
|--------------------|-------------|------------|--------------------------------|-----------------------------|
| 2005 | 5.25 % | 0.74 % | 5.99 % | \$ 50.87 |
| 2006 | 7.25 % | 0.74 % | 7.99 % | \$ 67.86 |
| 2007 | 8.25 % | 0.74 % | 8.99 % | \$ 76.35 |
| 2008 | 7.25 % | 0.74 % | 7.99 % | \$ 67.86 |
| 2009 | 3.25 % | 0.74 % | 5.99 % (3) | \$ 50.87 |
| 2010 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2011 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2012 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2013 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2014 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2015 | 3.25 % | 0.74 % | 3.99 % | \$ 33.89 |
| 2016 | 3.50 % | 0.74 % | 4.24 % | \$ 36.01 |
| 2017 | 3.75 % | 0.74 % | 4.49 % | \$ 38.13 |
| 2018 | 4.50 % | 0.74 % | 5.24 % | \$ 44.50 |
| 2019 | 5.50 % | 0.74 % | 6.24 % | \$ 53.00 |

NOTES:

- (1) This is a margin we have used recently for borrowers with a 730 or greater FICO score and maximum Loan to Value (LTV) of 70%.
- (2) The Minimum Monthly Payment represents payments of interest only, calculated using a 31 day month and 365 day year.
- (3) This APR represents a maximum 2.00% "Periodic Rate Cap" adjustment.

*The APR is calculated using the Index, rounded to the nearest .250%, plus the Margin, and includes only interest and no other costs.

Tax Deductibility: Consult a tax advisor regarding the deductibility of interest and charges for the Home Equity Line of Credit.



We Do Business in Accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.



PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure Addendum for Intro Rate Offer

This PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure Addendum for Intro Rate Offer amends the Logix Federal Credit Union (Logix) PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure as follows:

Introductory Discounted Rate – On the PrimeLine Home Equity Line of Credit Variable-Rate loan we may offer a fixed **2.99% APR** Introductory Discounted Rate (the Intro Rate) for an initial Introductory Discounted Rate Period of **One Year** (365 days). The Introductory Discounted Rate is not based on the Index or Margin used to make later adjustments. Immediately following the Introductory Rate Period the rate will convert to the Index Value then in effect, plus your Margin, without application of the Periodic Rate Cap and will be variable thereafter, increasing and decreasing in accordance with the Variable-Rate Information (see the PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure “Variable Rate Information” and “Periodic Rate Cap” sections for details). The Intro Rate Offer is available only on owner-occupied properties and maximum loan-to-value of 80%.

Variable-Rate 15-Year Historical Example - The following table shows how the **Annual Percentage Rate** and the Minimum Monthly Payments for an initial \$10,000 credit advance would have changed based on changes in the Prime Rate index over the last 15 years. The Index Values are as of the first week of January of each year. The table assumes no additional credit advances were taken only Minimum Monthly Payments were made each month, and that the rate remained constant during each year. **This table does not necessarily indicate how the Index or your payments will change in the future.**

| Year as of January | Index Value | Margin (1) | Annual Percentage Rate (APR) * | Minimum Monthly Payment (2) | NOTES |
|--------------------|-------------|------------|--------------------------------|-----------------------------|---|
| 2005 | 5.25 % | .74 % | 2.99 % (3) | \$ 25.39 | (1) This is a margin we have used recently for borrowers with a 730 or greater FICO score and maximum Loan to Value (LTV) of 70%. (2) The Minimum Monthly Payment represents payments of interest only, calculated using a 31 day month and 365 day year. (3) This APR reflects the Introductory Discounted Rate for One Year. (4) This APR reflects the change from the 2.99% Introductory Discounted Rate to the fully-indexed Variable APR at the end of the Introductory Discounted Rate Period. (5) This APR represents a maximum 2.00% "Periodic Rate Cap" adjustment. * The APR is calculated using the Index, rounded to the nearest .250%, plus the Margin, and includes only interest and not other costs. |
| 2006 | 7.25 % | .74 % | 7.99 % (4) | \$ 67.86 | |
| 2007 | 8.25 % | .74 % | 8.99 % | \$ 76.35 | |
| 2008 | 7.25 % | .74 % | 7.99 % | \$ 67.86 | |
| 2009 | 3.25 % | .74 % | 5.99 % (5) | \$ 58.87 | |
| 2010 | 3.25 % | .74 % | 3.99 % | \$ 33.89 | |
| 2011 | 3.25 % | .74 % | 3.99 % | \$ 33.89 | |
| 2012 | 3.25 % | .74 % | 3.99 % | \$ 33.89 | |
| 2013 | 3.25 % | .74 % | 3.99 % | \$ 33.89 | |
| 2014 | 3.25 % | .74 % | 3.99 % | \$ 33.89 | |
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| 2017 | 3.75 % | .74 % | 4.49 % | \$ 38.13 | |
| 2018 | 4.50 % | .74 % | 5.24 % | \$ 44.50 | |
| 2019 | 5.50 % | .74 % | 6.24 % | \$ 53.00 | |

Availability of Terms - All terms described above 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 have paid to us or anyone else in connection with your application.

This PrimeLine Home Equity Line of Credit Variable-Rate Program Disclosure Addendum for Intro Rate Offer contains important information – please read it carefully and retain it for your records.

- Intro Rate Offer Subject to Availability -



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