



MAIN OFFICE
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 glasscityfcu.com

HOME EQUITY INITIAL VARIABLE RATE LINE OF CREDIT AND TRUTH-IN-LENDING DISCLOSURE

(OVER 80% LOAN-TO-VALUE)

Borrower(s)	Credit Limit	Account Number	Date
Address	Property Address		

THIS DISCLOSURE NOTICE CONTAINS IMPORTANT INFORMATION ABOUT GLASS CITY FEDERAL CREDIT UNION'S HOME EQUITY LINE OF CREDIT LOAN. YOU SHOULD READ IT CAREFULLY AND KEEP A COPY FOR YOUR RECORDS.

TERMS SUBJECT TO CHANGE. The terms described below are effective February 14, 2022, but are subject to change at any time. If, prior to your signing the loan documents, any of these terms have changed (other than the **ANNUAL PERCENTAGE RATE**) and you decided, as a result, not to obtain a home equity loan from us, you would be entitled to a refund of any fees that you paid in connection with your application.

SECURITY INTEREST. Your obligation to repay your home equity loan and your other obligations under your home equity loan agreement would be secured by the property described in a Mortgage signed by you in connection with the establishment of your loan. By signing the Mortgage, you would grant Glass City Federal Credit Union a security interest in that property. You could lose that property if you did not meet your obligations to Glass City Federal Credit Union.

POSSIBLE ACTIONS. Under the circumstances specified in your home equity loan agreement, Glass City Federal Credit Union would be permitted (i) to terminate your account and require you to pay us the entire outstanding balance in one payment and also charge you certain fees, (ii) to refuse to make further extensions of credit, (iii) to reduce your credit limit, and (iv) to make specific changes to the terms of your home equity loan agreement. The Credit Union may also make any of the following changes to your Plan: (a) prohibit additional extensions of credit or reduce the credit limit applicable to an account under the plan during any period in which the value of the borrower(s) principal dwelling which secures any outstanding balance is significantly less than the original appraisal value of the dwelling; (b) prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the creditor has reason to believe that the consumer will be unable to comply with the repayment requirements of the account due to a material change in the consumer's financial circumstances; (c) prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which the consumer is in default with respect to any material obligation of the consumer under the agreement; or (d) prohibit additional extensions of credit or reduce the credit limit applicable to the account during any period in which Government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line, a regulatory agency has notified us that continued advances would constitute unsafe and unsound practice or the maximum **ANNUAL PERCENTAGE RATE** is reached. Upon your request, Glass City Federal Credit Union will provide you with more specific information about when Glass City Federal Credit Union could take these actions.

This disclosure notice is not a replacement for or a part of any loan commitment, loan agreement, Mortgage or other document you may sign if Glass City Federal Credit Union agrees to make a home equity loan to you. You should become familiar with and understand the provisions of all such documents before signing them.

Since Glass City Federal Credit Union may sell any loan it makes, a purchaser of the loan may enforce the terms of any loan you may obtain from Glass City Federal Credit Union. As used below, the words "we", "us" and "our" mean Glass City Federal Credit Union or any person that would have the right to enforce the loan terms.

How the Home Equity Loan Works

1. General. The home equity loan is a line of credit loan secured by a borrower's principal residence that permits the borrower to obtain credit advances up to a specified credit limit. Because the loan is an open-end line of credit, it can be used again and again to obtain credit advances as long as the credit limit is not exceeded. Advances may be obtained at the Credit Union, by share draft checks if authorized by the Credit Union or you may be authorized by the Credit Union to access the loan by other means. As used below the words "we", "us" and "our" mean Glass City Federal Credit Union.

2. Draw Period and Repayment Period: You may request advances for the first Five (5) years (called the "draw period"). At our option, we may renew or extend the draw period. After the draw period ends, no more advances will be permitted and you will enter into the "Repayment Period". The length of the repayment period will depend on the balance at the beginning of the repayment period and the interest rate. The repayment period will not exceed ten (10) years.

3. Transaction Requirements. There is a minimum initial credit advance required of \$10,000.00 if the Credit Union is paying some or all of the closing costs. (See 10 Limited Fees and Charges Waiver below). Otherwise, if Borrower(s) is paying the closing costs, there is no minimum initial credit advance required. In either case, there is no minimum amount required for subsequent credit advances. You can request advances in any amount not exceeding your credit limit. You do not need to maintain an outstanding balance on your line of credit to keep the credit line open. Advances may be obtained under this Plan by a loan check issued from this Credit Union to you, or by you appearing in person at the Credit Union, or through a home banking transfer, if authorized by the Credit Union. We do not accept credit advance requests by either telephone or U.S. Mail.

4. Minimum Payment Requirements. During the draw period your payments would be the greater of either \$100.00 or a payment based on 15 year amortization beginning from account opening, re-calculated at the time of each advance, to pay off the outstanding balance by the 15 year maturity date at the then applicable rate of interest, plus (i) past due unpaid interest, any late charges and other fees assessed on your loan during the billing period covered by the statement we sent you plus (ii) any over the limit amount(s). An increase in the interest rate during the draw period will result in Borrower(s) making more monthly payments of the same amount; a decrease in the interest rate during the draw period will result in Borrower(s) making fewer monthly payments of the same amount. Your monthly payment may also change during the draw period if you obtain a new advance, so that the monthly payments will pay off the loan balance at the maturity date.

During the repayment period, your payments would be the greater of either \$100.00 or an amount calculated each calendar quarter, if the interest rate changes, to pay off the outstanding balance by the maturity date at the then applicable rate of interest, plus (i) past due unpaid interest, any late charges and other fees assessed on your loan during the billing period covered by the statement we sent you plus (ii) any over the limit amount(s).

During the repayment period, if the interest rate increases or decreases, the result is that the monthly payments will be reviewed quarterly and recalculated, if necessary, to repay the outstanding balance by the maturity date. The Repayment Period of your loan would not exceed 10 years. The total term or your loan will not exceed 15 years from the date of opening the Home Equity Plan.

Your payment during both the draw and repayment period would never be less than a minimum monthly payment established by the Credit Union of \$100.00 or, if the balance owing is less than \$100.00, the remaining balance owing. You would be required to make monthly payments during both the draw and repayment periods.

Interest accrues on your total balance owing from the date of each advance and there is no time period within which any credit extended may be repaid without incurring a finance charge.

5. Minimum Payment Examples.

If you made only the minimum monthly payment and took no other credit advances, it would take 11 years and 10 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 6.25% (the rate shown in the historical chart interest rate column for the year 2022). During that period, you would make 142 monthly payments of \$100.00. Your minimum monthly payment will never be less than a minimum payment established by the Credit Union of \$100.00, unless your last payment is less than \$100.00.

6. Maximum Rate and Payment Example.

During the *draw period*, if you had an outstanding balance of \$10,000.00, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$161.04.

During the *repayment period*, if you had an outstanding balance of \$10,000.00, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$180.19.

The maximum interest rate of 18.00%, for this example only, could be reached at the time of the 1st payment. You will be notified in writing when your interest rate is changed. This notice will contain information about your interest rate, payment and loan balance.

7. Allocation of Payments and Additional Payments. Payments and credits shall be applied in the following order: to charges for optional products purchased such as credit insurance; any amounts for which I have exceeded my credit limit; any applicable over-the-limit fees charged; any monthly payment amounts past due and corresponding late fees; any other amounts advanced or owed to the Credit Union; accrued interest and finance charge; then to principal. Payments made in addition to regularly scheduled minimum payments shall be applied toward principal, unless the borrower instructs the credit union in writing to apply the additional amounts towards the next minimum payment due.

8. Annual Fee. There is no annual fee.

9. Third Party Fees and Charges. You must pay certain fees to third parties to open the plan; these fees generally total between \$0.00 and \$600.00. Below is an estimate of the fees you will be required to pay to third parties.

Itemization of Estimated Closing Fees and Costs			
1. Appraisal	\$ 350	4. Recording Fees	\$ 74
2. Title Search or Title Insurance	\$ 100	5. Other (specify)	\$
3. Flood Determination	\$ 14	6. Other (specify)	\$

If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid to us. In addition to the third-party fees above, you may also be obligated to pay other fees or costs that you may incur to clear title to your property or record non-mortgage related documents.

10. Limited Fees and Charges Waiver. The Credit Union may pay some or all fees and charges for third-parties for those loans with an initial draw of \$10,000.00 or more.

You will be charged a "reimbursement" of closing costs fee if the loan balance is paid in full and the line of credit is closed within the first 12 months from account opening. Those fees generally total between \$0.00 and \$600.00. If you ask, we will provide you with an itemization of the fees that will be paid to third parties. If the "reimbursement" of closing costs fee is charged pursuant to this section, the Credit Union may, at its sole discretion: (i) require that you pay the "reimbursement" fee upon demand; or (ii) add the "reimbursement" of closing costs fee to your outstanding balance as an advance even if the resulting balance exceeds your stated credit limit, and adjust your payments to amortize the outstanding balance to the loan maturity date. If our adding the "reimbursement" of closing costs fee to your outstanding balance exceeds your credit limit, any such temporary credit limit excess shall not be considered an increase in your credit limit.

If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fees you may have already paid. There may be additional and separate fees that you may be obligated to pay if it is necessary to clear title to your property or record non-mortgage related documents.

11. Property Insurance is required. You must carry insurance on the property that secures this line of credit plan. If the property is located in a special Flood Hazard Area, we will require you to obtain flood insurance if it is available.

12. Variable Interest Rate. Your loan would have a variable interest rate, and the **ANNUAL PERCENTAGE RATE** could change as a result. The **ANNUAL PERCENTAGE RATE** would not include costs other than interest. The **ANNUAL PERCENTAGE RATE** would change Quarterly during the term of the loan. Interest would be adjusted hereafter on a Quarterly basis. Increases or decreases in the **ANNUAL PERCENTAGE RATE** will result in increases or decreases in the **FINANCE CHARGE** you owe on your Account, but will not affect the method that the Credit Union uses to determine your Minimum Monthly Payment. An increase in the Annual Percentage Rate during the Draw Period may result in more Minimum Monthly Payments of the same amount. An increase in the **ANNUAL PERCENTAGE RATE** during the Repayment Period will result in higher Minimum Monthly Payments. You will be notified on your monthly periodic statement of the new monthly payment amount. There is no limit on the amount that the **ANNUAL PERCENTAGE RATE** may increase or decrease on any change date. The Maximum interest rate will never be greater than 18.00%, or the maximum permitted by law, whichever is less. There is a floor interest rate established by the Credit Union of 2.00%.

Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

13. Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE. The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest "Prime Rate" of interest published daily in the Wall Street Journal's listing of "Money Rates" (the "Index"). If the Wall Street Journal ceases to publish the Index, we will choose a substitute index that is based upon comparable information and, if necessary, a substitute margin, so that the change in the index results in substantially the same rate as required under the previous index.

To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin to the value of the Index. The margin we have currently used is 3.00%. That rate is then divided by the number of days in the billing cycle to determine the daily periodic rate. The **ANNUAL PERCENTAGE RATE** is the periodic rate multiplied by the number of days in a year (365). Finance charges include interest only and do not include any other charges.

Your Margin will depend on your Loan-to-Value ratio. You should ask us for the current index value, margin and **ANNUAL PERCENTAGE RATE**. After you opened an account, rate information would be provided on periodic statements that we send you.

A change in the Index will cause a change in the **ANNUAL PERCENTAGE RATE** as of each Change Date. The first day of the Billing Cycle following an Index change is a "Change Date". Increases or decreases in the **ANNUAL PERCENTAGE RATE** will result in increases or decreases in the **FINANCE CHARGE** you owe on your Account, but will not affect the method that the Credit Union uses to determine your Minimum Monthly Payment. An increase in the Annual Percentage Rate during the Draw Period may result in more Minimum Monthly Payments of the same amount. An increase in the **ANNUAL PERCENTAGE RATE** during the Repayment Period will result in higher Minimum Monthly Payments. You will be notified on your monthly periodic statement of the new monthly payment amount.

14. Tax Deductibility. You should consult a tax advisor regarding the deductibility of interest and charges under your loan.

15. Variable-Rate Example. The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the last 15 years. Index values are from the last business day of January of each year. The table below assumes that no additional credit advances were taken, that only the minimum payment was made each month and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Amount: \$10,000.00
 Margin: 3.00%
 Example Term: 15 years
 Interest Rate Floor: 2.00%

Interest Rate Cap: 18.00%
 Interest Adjustment: Quarterly
 Index: Prime Rate of Interest reported in the Wall Street Journal

Historical Table
 (Over 80% LTV)

Year	Index (%)	Margin ⁽¹⁾ (%)	Annual Percentage Rate (%)	Minimum Monthly Payment
Draw Period				
2008	6.000	3.00%	9.000	\$101.43
2009	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2010	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2011	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2012	3.250	3.00%	6.250	\$100.00 ⁽²⁾
Repayment Period				
2013	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2014	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2015	3.250	3.00%	6.250	\$100.00 ⁽²⁾
2016	3.500	3.00%	6.500	\$100.00 ⁽²⁾
2017	3.750	3.00%	6.750	\$100.00 ⁽²⁾
2018	4.500	3.00%	7.500	\$100.00 ⁽²⁾
2019	5.500	3.00%	8.500	\$100.00 ⁽²⁾
2020	4.750	3.00%	7.750	\$100.00 ⁽²⁾
2021	3.250	3.00%	6.250	-
2022	3.250	3.00%	6.250	-

⁽¹⁾ This is a margin we have used recently.

⁽²⁾ \$100.00 is the minimum monthly payment established by the Credit Union

~ IMPORTANT ~
 PLEASE SIGN ONE COPY OF THIS DISCLOSURE AND RETURN IT TO:
 GLASS CITY FEDERAL CREDIT UNION, 1340 ARROWHEAD DR, MAUMEE, OH 43537 TELEPHONE: (419) 887-1000
 I/We acknowledge receiving and reading the above disclosure notice.

Applicant's Signature _____ Date _____

Loan Originator Organization and NMLS # Glass City Federal Credit Union #445858

Loan Originator Name and NMLS # _____