

1 NOTE AND COMPLETE

Married Applicants may apply for a separate account. Check the appropriate box to indicate Individual Credit or Joint Credit.

NOTICE TO OHIO APPLICANTS: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

☐ **Individual Credit:** Complete Applicant section. Complete Co-Applicant, Spouse (referred to as "Other") section:

(1) about your spouse if you live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI), or (2) if your spouse will use the Account. Please check box to indicate whom the information is about.

☐ **Joint Credit:** Each Applicant must individually complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

Amount Requested \$ _____ Purpose: _____

Repayment: ☐ Payroll Deduction ☐ Cash ☐ Automatic Payment ☐ Military Allotment ☐

STATEMENT OF INTENT

Are you interested in having your loan protected? ☐ Yes ☐ No

If you answer "Yes," then the credit union will disclose the costs of this voluntary payment protection to you. A separate election which discloses the terms and conditions must be signed for protection to be effective.

2 APPLICANT INFORMATION

APPLICANT

Please print in ink or type.

| | |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| NAME (Last - First - Initial) | |
| DRIVER'S LICENSE NUMBER / STATE | |
| ACCOUNT NUMBER | SOCIAL SECURITY NUMBER |
| BIRTH DATE | HOME PHONE BUSINESS PHONE / EXT. |
| PRESENT ADDRESS (Street - City - State - Zip) <input type="checkbox"/> OWN <input type="checkbox"/> RENT | |
| YEARS AT THIS ADDRESS | |
| PREVIOUS ADDRESS (Street - City - State - Zip) <input type="checkbox"/> OWN <input type="checkbox"/> RENT | |
| YEARS AT THIS ADDRESS | |
| COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: | |
| <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed) | |
| LIST AGES OF DEPENDENTS NOT LISTED BY OTHER APPLICANT (Exclude Self) | |

CO-APPLICANT SPOUSE

Use "SAA" if information is "Same As Applicant".

| | |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| NAME (Last - First - Initial) | |
| DRIVER'S LICENSE NUMBER / STATE | |
| ACCOUNT NUMBER | SOCIAL SECURITY NUMBER |
| BIRTH DATE | HOME PHONE BUSINESS PHONE / EXT. |
| PRESENT ADDRESS (Street - City - State - Zip) <input type="checkbox"/> OWN <input type="checkbox"/> RENT | |
| YEARS AT THIS ADDRESS | |
| PREVIOUS ADDRESS (Street - City - State - Zip) <input type="checkbox"/> OWN <input type="checkbox"/> RENT | |
| YEARS AT THIS ADDRESS | |
| COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: | |
| <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed) | |
| LIST AGES OF DEPENDENTS NOT LISTED BY APPLICANT (Exclude Self) | |

3 EMPLOYMENT INFORMATION

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------|
| NAME AND ADDRESS OF EMPLOYER | | |
| YOUR TITLE / GRADE SUPERVISOR'S NAME | | |
| START DATE | HOURS AT WORK | IF SELF EMPLOYED, TYPE OF BUSINESS |
| IF EMPLOYED IN CURRENT POSITION LESS THAN FIVE YEARS, COMPLETE PREVIOUS EMPLOYER NAME AND ADDRESS STARTING DATE | | |
| ENDING DATE | | |
| IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO WHERE ENDING / SEPARATION DATE | | |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------|
| NAME AND ADDRESS OF EMPLOYER | | |
| YOUR TITLE / GRADE SUPERVISOR'S NAME | | |
| START DATE | HOURS AT WORK | IF SELF EMPLOYED, TYPE OF BUSINESS |
| IF EMPLOYED IN CURRENT POSITION LESS THAN FIVE YEARS, COMPLETE PREVIOUS EMPLOYER NAME AND ADDRESS STARTING DATE | | |
| ENDING DATE | | |
| IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR <input type="checkbox"/> YES <input type="checkbox"/> NO WHERE ENDING / SEPARATION DATE | | |

4 INCOME INFORMATION

NOTICE: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.

| | | | |
|-------------------------------------------------------------|-----|--------------|-----|
| EMPLOYMENT INCOME | | OTHER INCOME | |
| \$ | PER | \$ | PER |
| <input type="checkbox"/> NET <input type="checkbox"/> GROSS | | SOURCE | |

NOTICE: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.

| | | | |
|-------------------------------------------------------------|-----|--------------|-----|
| EMPLOYMENT INCOME | | OTHER INCOME | |
| \$ | PER | \$ | PER |
| <input type="checkbox"/> NET <input type="checkbox"/> GROSS | | SOURCE | |

5 REFERENCES

Please include Street, City, State and Zip.

| | |
|----------------------------------------------------------|--------------|
| NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU | RELATIONSHIP |
| HOME PHONE | |
| NAME AND ADDRESS OF PERSONAL FRIEND -NOT A RELATIVE | HOME PHONE |

| | |
|----------------------------------------------------------|--------------|
| NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU | RELATIONSHIP |
| HOME PHONE | |
| NAME AND ADDRESS OF PERSONAL FRIEND -NOT A RELATIVE | HOME PHONE |

OTHER (CO-APPLICANT, SPOUSE)

SIGNATURES

| | | | |
|--------------------------------------|--|--------------------------------|--|
| SHARE DRAFT OR CHECKING AMOUNT \$ | | NAME AND ADDRESS OF DEPOSITORY | |
| SAVINGS AMOUNT \$ | | NAME AND ADDRESS OF DEPOSITORY | |

| | | | | | | | |
|--------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|--|----------------------------------------|--|
| APPLICANT <div style="background-color: #e0f0ff; padding: 2px;">OTHER</div> | | LIST HOME AND ALL OTHER ITEMS YOU OWN AND LOCATION OF PROPERTY <small>For Example: Auto, Boat, Stocks, Bonds, Cash, Household Goods, Real Estate, etc.</small> | | MARKET VALUE | | PLEGDED AS COLLATERAL FOR ANOTHER LOAN | |
| <div style="background-color: #e0f0ff; padding: 2px;">HOME*</div> | | | | \$ | | YES NO | |
| | | | | \$ | | YES NO | |
| | | | | \$ | | YES NO | |

LIST EVERY LIEN AGAINST YOUR HOME
A lien is a legal claim filed against property as security for payment of a debt. Liens include mortgages, deeds of trust, land contracts, judgments and past due taxes.

| | |
|------------------------|------------------------|
| FIRST MORTGAGE HELD BY | OTHER LIENS (Describe) |
| PRESENT BALANCE \$ | |

IS THE PROPERTY DESCRIBED IN THIS SECTION: YOUR PRINCIPAL DWELLING? ☐ YES ☐ NO
 LISTED AS THE APPLICANT'S ADDRESS IN THE "APPLICANT INFORMATION" SECTION? ☐ YES ☐ NO

IS ANYONE OTHER THAN YOUR SPOUSE A PART OWNER OF YOUR HOME? ☐ YES ☐ NO

| APPLICANT <div style="background-color: #e0f0ff; padding: 2px;">OTHER</div> | CREDITOR NAME AND ADDRESS | ACCOUNT NUMBER | ORIGINAL BALANCE | PRESENT BALANCE | MONTHLY PAYMENT | IF PAST DUE <input checked="" type="checkbox"/> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|------------------|-----------------|-----------------|-------------------------------------------------|
| <div style="background-color: #e0f0ff; padding: 2px;"><input type="checkbox"/> RENT <input type="checkbox"/> MORTGAGE (Incl. Tax & Ins.)</div> | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| | | | \$ | \$ | \$ | |
| LIST ANY NAMES UNDER WHICH YOUR CREDIT REFERENCES AND CREDIT HISTORY CAN BE CHECKED | | | TOTALS | \$ | \$ | \$ |

IF A "YES" ANSWER IS GIVEN TO A QUESTION, EXPLAIN ON AN ATTACHED SHEET

| | | | | |
|---------------------------------------------------------------------------------------------------|-----------------------------|----|-------|----|
| DO YOU HAVE ANY OUTSTANDING JUDGMENTS? | APPLICANT | | OTHER | |
| HAVE YOU EVER FILED FOR BANKRUPTCY OR HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13? | YES | NO | YES | NO |
| HAVE YOU HAD PROPERTY FORECLOSED UPON OR GIVEN A DEED IN LIEU OF FORECLOSURE IN THE LAST 7 YEARS? | | | | |
| ARE YOU A PARTY IN A LAWSUIT? | | | | |
| ARE YOU OTHER THAN A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN? | | | | |
| IS YOUR INCOME LIKELY TO DECLINE IN THE NEXT TWO YEARS? | | | | |
| ARE YOU A CO-MAKER, CO-SIGNER OR GUARANTOR ON ANY LOAN NOT LISTED ABOVE? | | | | |
| FOR WHOM (Name of Others Obligated on Loan): | TO WHOM (Name of Creditor): | | | |

You promise that everything you have stated in this application is correct to the best of your knowledge and that the above information is a complete listing of all your debts and obligations. You authorize the credit union to obtain credit reports in connection with this application for credit and for any update, renewal or extension of the credit received. If you request, the credit union will tell you the name and address of any credit bureau from which it received a credit report on you. You understand that it is a federal crime to willfully and deliberately provide incomplete or incorrect information on loan applications made to Federal Credit Unions or State Chartered Credit Unions insured by NCUA. If there are any important changes, you will notify us in writing immediately. You also agree to notify us of any change in your name, address or employment within a reasonable time thereafter.

| | |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| X <div style="background-color: #e0f0ff; padding: 2px;">APPLICANT'S SIGNATURE</div> | X <div style="background-color: #e0f0ff; padding: 2px;">OTHER SIGNATURE</div> |
| DATE | DATE |

☐ LOAN OFFICER ADVANCE APPROVED: ☐ YES ☐ NO
☐ CREDIT COMMITTEE OR OTHER OUTSIDE INFORMATION CONSIDERED: ☐ YES ☐ NO IF YES, ATTACH ADDITIONAL SHEET AND DESCRIBE

REFERRED TO / REASON(S) FOR REFERRAL: \$ _____ APPROVED LIMIT _____ DEBT RATIO _____

DESCRIBE COUNTER OFFER: _____

SPECIFIC REASON(S) FOR REJECTION: _____

| | | | |
|-------------------------------------------|---|------|------|
| SIGNATURES: | | DATE | DATE |
| <input type="checkbox"/> LOAN OFFICER | X | | X |
| <input type="checkbox"/> CREDIT COMMITTEE | | DATE | DATE |
| | X | | X |

☐ ECOA NOTICE AND REASON FOR REJECTION SENT OR DELIVERED ON _____ (DATE) BY _____ (INITIALS)



Borrowers Agreement for Appraisal Payment And Repayment of Closing Costs

I (We), _____ and _____ authorize Amherst Federal Credit Union to have my(our) property appraised, for the purpose of a Home Equity Loan with the credit union.

It is my(our) understanding that the cost of the appraisal is paid for by AFCU, under the Home Equity agreement.

If, however, for any reason, there is a problem with the appraisal, or it does not reflect enough value to pursue this Home Equity Loan, or I(We) decide not to proceed with this Home Equity Loan, I(We) agree to reimburse the Amherst Federal Credit Union for the full cost of the appraisal.

I (We) also understand that if I (We) do not take our first advance within the first 6 months of the Home Equity Credit Line being established, I (We) will be responsible for paying the full amount of the closing costs.

_____ Borrower 1 _____ Date

_____ Borrower 2 _____ Date

EQUAL CREDIT OPPORTUNITY ACT

PROPERTY ADDRESS:

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this company is the National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, Telephone: (703) 518-6300.

We are required to disclose to you that you need not disclose income from alimony, child support, or separate maintenance payment if you choose not to do so.

Having made this disclosure to you, we are permitted to inquire if any of the income shown on your application is derived from such a source and to consider the likelihood of consistent payment as we do with any income on which you are relying to qualify for the loan for which you are applying.

(Applicant)

(Date)

(Applicant)

(Date)



6470 Main Street, Suite 5
Amherst NY 14221-5899

Tel: 716-634-3881
Fax: 716-634-1272
Teller 24: 716-634-2025
Website: www.amherstcu.org

HOME EQUITY LINES OF CREDIT CHECK LIST

Date _____

Name/Borrower _____

Address _____

Amount of Mortgage \$ _____

_____ Application

_____ Income Verification

Additional:

_____ A. Copy of Recorded Deed

_____ B. Copy of Survey

_____ C. Tax receipts- School, County, City

_____ D. Recent Mortgage Statement

_____ E. Endorsement to your Homeowners Insurance Policy

_____ F. 100% waiver of closing costs: 3-year closing cost payback
(completed at the credit union)

_____ G. Other: _____



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HOW DO I COMPUTE THE MAXIMUM CREDIT LINE FOR WHICH I MAY APPLY?

The maximum credit line for which you may apply is 85% of the equity in your home up to \$200,000.00 computed as follows:

Fair Market Value of Home \$ _____
Times Equity Percentage _____ x 85%
Equity Subtotal \$ _____
Minus Unpaid Mortgages \$ _____
Maximum Credit Line \$ _____

The Credit Union will pay 100% of the closing costs provided. The initial draw is at least \$10,000 and you keep the home equity credit line open for a minimum three year period. If you pay off or close your home equity credit line within three years, you will be required to repay a percentage of the closing costs paid by the Credit Union.

WHAT REAL PROPERTY DOCUMENTS MUST I FURNISH?

The following must be furnished to the credit union. If you have any questions please call our office at 716-634-3881.

- A. Copy of Deed
- B. Print of survey (or photocopy) showing the property and improvements as presently constituted. The survey will not be returned to you; if you require additional copies you should make these before giving the survey to the Credit Union.
- C. Copies of current bills for county tax, school and village tax (if applicable) receipted by the government agency to show payment.
- D. Copy of recent mortgage statement showing the balance due on your mortgage.
- E. Endorsement to your Homeowners Insurance Policy (and also Flood Insurance if your house is in a designated flood district) naming AMHERST FEDERAL CREDIT UNION, 6470 Main St., Amherst, New York 14221 as an additional insured. (This can be furnished later; do not delay forwarding the other documents while waiting for the insurance binders.)

It will take approximately four weeks after AFCU receives all of the requested documents.



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HOME EQUITY LINES OF CREDIT

Members' Information Bulletin

What is a Home Equity Line of Credit

Many members own homes in which the value of the property is greater than existing mortgage debt. The difference between the value of the home and the mortgage debt is called equity. A new line of credit can be obtained, generally at a favorable interest rate, by offering to grant the lender a security interest (sometimes called a second mortgage) in the equity value of the home. This service is an open end line of credit designed for members interested in a Home Equity Loan with the convenience of a line of credit. Members are able to take advances as needed, rather than a lump sum. We offer two lines of credit, a variable rate and a fixed rate. The variable rate is tied to prime rate and may change only two times per year. Home Equity lines of credit can be used for any purpose such as home improvement, education, debt consolidation or other reasonable expenses.

Eligibility

Application for a home equity line of credit may be made by any member of the Credit Union who is the owner and occupant of a residence in which the available equity plus existing mortgage loan(s) is estimated to be not greater than 85% of the appraised value of that property.

Income Tax Implications

Borrowers using home equity as security are advised to consult with a tax specialist regarding the income tax implications for interest paid on a home equity loan.

Repayment Terms

Payment is based upon a level amortization schedule with a maximum of 15 years for owner occupied residential property.

Late payment

After 10 days, a penalty of 2% of the payment due is assessed and payable.

Early repayment penalty

No interest penalty is assessed for early repayment. Reimbursement to the Credit Union for its share of closing costs is due and payable as described below under Sharing of closing costs.

Sharing of closing costs

Closing costs include such items as appraisal, title insurance, mortgage tax and legal fees. The Credit Union will provide an estimate of closing costs at the time of application. The Credit Union will pay 100% of all closing costs over the term of the loan. If the case of early repayment before the loan term surpasses the 36 month mark, the borrower is responsible for paying a pro-rated balance of closing costs.

Continued on page 4



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Appraisals

The appraisal of all real estate offered for security for a home equity loan is made by an independent certified or licensed appraiser and obtained, as needed, by the Credit Union.

Hazard Insurance

All property offered as security must be insured against loss due to fire and other hazards. Such insurance must also include extended coverage. The insurance company providing such coverage shall be requested to issue statement listing the Credit Union as first second or other mortgagee with financial interest in the mortgaged property. The policy must be in an amount not less than the lower of the original loan balance or the replacement value of the structure.

Flood Insurance

Where flood insurance is required, the amount of insurance must be equal to the outstanding balance of the loan or the maximum amount available under the Flood Disaster Protection Act, whichever is less. Evidence of this coverage must be submitted to the Credit Union at closing and must remain in force until the loan is repaid. If this insurance is not provided, the loan is cancelled.

Subsequent Loans

A borrower may apply for a subsequent loan against any unused equity covered in the original mortgage. The interest rate applicable to the new loan will be the rate in effect at the time that such subsequent loan is obtained. This rate may be greater or smaller than the rate of the original loan. The borrower may request that any previous unpaid loan balance be consolidated with a subsequent loan and that the total amount become payable as a new loan. In such case a blended rate may be established. The borrower may choose to obtain separate notes and payment schedules. Any fee for subsequent searches will be paid in full by the borrower or shared by the Credit Union as described above and as agreed at the time of this subsequent loan.

Lending Decision

As with all lending decisions, the Loan Officer/ Credit Committee will use the following sources of information:

- I. Debt ratios
- II. Security of employment
- III. Borrowing history at the Credit Union
- IV. Value of security offered
- V. Information from credit report, including credit score and credit history (Credit Bureau)
- VI. The decision to grant the loan will also be affected by availability of funds and other factors deemed appropriate by the Loan Officer/Credit Committee.

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What if I own the property jointly?

A If the property is owned jointly by you and your spouse or another person, both of you must sign the application, the mortgage documents and, if requested by the credit union, vouchers or notes required to obtain advances. The property will be subject to a lien for all advances made to either of you up to the maximum credit line even if you had no knowledge of a particular advance to the other owner.

May I use a credit line mortgage to purchase a property?

The credit line mortgage may be used to purchase property other than the same property, which will be pledged as collateral for repayment of the loan.

What if I want to learn more about the plan?

A copy of the Home Equity Credit Line agreement is available upon request. In addition, Credit Union personnel will answer any questions you may have.

NOTICE TO BORROWERS

The SAFE Act requires financial institutions that originate mortgage loans (Home Equity Loans, Home Equity Lines of Credit, Mini Equity Loans and First Mortgages) to register with the Nationwide Licensing System & Registry (NMLS). Loan Officers at financial institutions that are involved with mortgage loans in any aspect are considered Mortgage Loan Originators (MLO) and must also be individually registered with the NMLS.

Each financial institution and MLO are assigned unique ID numbers. It is the consumers' right to verify that the financial institution and/or Loan Officer are registered with the NMLS.

The NMLS Consumer Access website is:

www.NMLSconsumeraccess.org

The following employees of Amherst Federal Credit Union (463322)

are registered MLO's with the NMLS:

Cindy Tichenor MLO#1432430

Jolene Bosworth MLO#1476119

Keri Walczyk MLO #583635

Stacey Koczaja MLO#1432021



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HOEPA (Home Ownership and Equity Protection Act Policy)

The new Home Ownership and Equity Protection Act (HOEPA) Rule (effective January 10, 2014) is a part of the Consumer Financial Protection Bureau (CFPB) Mortgage Rule release. One of the changes credit unions face when providing mortgage loans to members is the new requirements for credit counseling.

Written List of Housing Counselors

Credit Unions are required to provide a list of homeownership counseling organizations to members within three business days after they apply for a mortgage loan. This includes first and subordinate liens on residential real property designed for one to four families, with the exclusion of reverse mortgages and mortgage loans secured by a timeshare.

Members may obtain a list of credit counselors by following these steps:

- I. Go to the CFPB's website, www.consumerfinance.gov/find-a-housing-counselor.
- II. Type in your zip code and select "Find A Counselor"
- III. A map and a list of counselors in your area will be provided.

Housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD) can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on your objectives and circumstances, often at little or no cost.

If you are interested in contacting a HUD-approved housing counseling agency in your area, you can visit the Consumer Financial Protection Bureau's (CFPB) website, www.consumerfinance.gov/find-a-housing-counselor, and enter your zip code.

You can also access HUD's housing counseling agency website via www.consumerfinance.gov/mortgagehelp.

For additional assistance with locating a housing counseling agency, call the CFPB at 1-855-411-CFPB (2372).



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Home Equity Early Disclosure

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of 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 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.

POSSIBLE ACTIONS: We can terminate your line, 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 plan; (2) you do not meet the repayment terms of this plan, 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 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 in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends. You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 120 monthly payments will be used to calculate your payment. The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will be rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases or decreases. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any

amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 10 years 0 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 9.5%. During that period, you would make 120 payments of \$130.00.

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. The following notice is required by New York law. You are required to obtain property insurance on the property that is security for your mortgage loan. We cannot require you to obtain an insurance policy in excess of the replacement cost of the improvements on the property securing the loan.

REFUNDABILITY OF FEES: 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.

TRANSACTION REQUIREMENTS: The maximum number of advances you may obtain per year is 5. The minimum credit advance that you can receive is \$10,000.00 for the first advance and \$1,000.00 for each subsequent advance.

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

VARIABLE RATE FEATURE: This plan 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 Prime Rate published in the Money Rates column of *The Wall Street Journal*. 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 10 days before the date of any annual percentage rate adjustment. To determine the annual percentage rate that will apply to your account, 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 plan, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change semi-annually on the first day of January and July. The rate cannot increase or decrease more than 2.0 percentage points in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.0% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 6.0% at any time during the term of the plan.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.0% would be \$162.00. This annual percentage rate could be reached at the time of the 25th payment.

HISTORICAL EXAMPLE: The following table shows how the annual 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 as of the last 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 that no additional credit advances were taken, that only the 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 last business day of January) | Index (Percent) | Margin ⁽¹⁾ (Percent) | ANNUAL PERCENTAGE RATE | Monthly Payment (Dollars) |
|-----------------------------------------------|--------------------|------------------------------------|---------------------------------------|---------------------------------|
| 2010..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$112.00 |
| 2011..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2012..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2013..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2014..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2015..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2016..... | 3.500 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2017..... | 3.750 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2018..... | 4.500 | 1.000 | 6.000 ⁽²⁾ | \$111.00 |
| 2019..... | 5.500 | 1.000 | 6.500 | \$110.00 |
| 2020..... | 4.750 | 1.000 | 6.000 ⁽²⁾ | |
| 2021..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | |
| 2022..... | 3.250 | 1.000 | 6.000 ⁽²⁾ | |
| 2023..... | 7.500 | 1.000 | 8.000 ⁽³⁾ | |
| 2024..... | 8.500 | 1.000 | 9.500 | |

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

⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects a 6.000% floor.

⁽³⁾ This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.