



FIXED FOR FIVE HOME EQUITY LINE OF CREDIT DISCLOSURE

High Federal Credit Union (ID # 585840)
1201 Wayne Street
Olean, NY 14760

IMPORTANT TERMS OF OUR FIXED FOR FIVE HOME EQUITY LINE OF CREDIT DISCLOSURE

This disclosure contains information about our FIXED FOR FIVE Home Equity Line of Credit (HELOC) with Checks (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these items 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 security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or use of the funds or the dwelling for prohibited purposes.

Suspension of Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling securing this Plan declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline based upon the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions)
- (d) We are precluded by government action from imposing the annual percentage rate provided under the Plan.
- (e) 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 limit.
- (f) We have been notified by government authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems). At any time before the expiration date of the draw period, under our discretion, we may extend or modify the term of the draw period.

Fees and Charges. In order to open and maintain an account you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Tax Service	\$113.00-\$122.00	At Account Closing
NSF fees for Check Advances		
Over the Limit Fee	\$20.00	Upon Each Occurrence
Stop Payment Fee	\$20.00	Upon Each Occurrence

Late Charge. Your payment will be late if it is not received by us within **16 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you \$15.00.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$200.00 and \$2,500.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Title Search:	\$50.00-\$500.00	At Account Closing
Appraisal Fee:	\$220.00-\$350.00	At Account Closing
Recording:	\$45.00-\$200.00	At Account Closing
Mortgage Tax	Per Limit Amount	At Account Closing
Filing Tax Exemption Fee	\$5.00	At Account Closing
Flood Determination	\$10.00	At Account Closing
Flood Determination Life of Loan	\$2.00	At Account Closing

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: Ten (10) Years (the "Draw Period"). After the Draw Period ends, the repayment period will begin. You will no longer be able to obtain credit advances. The length of the repayment period is as follows: Twenty (20) Years. Your Regular Payment will be based on an amortization of the balance after your most recent credit advance as shown below or \$100.00, whichever is greater. ("First Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	120	240 Payments

However, the amortization period will always be the shorter of the time shown above or the time remaining to the Maturity Date. At the time of each credit advance your Regular Payment will be recalculated based upon the amount of the advance and any other outstanding balance. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The "Regular Payment" will be set to repay the balance after the advance, at the ANNUAL PERCENTAGE RATE, within the amortization period.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your payment may be increased by the amount necessary to repay the balance by the end of this payment stream. If the ANNUAL PERCENTAGE RATE increases by 0.250% or more, we will review the effect the interest rate changes have had on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date. If the interest rate increases after our last review of your Credit Line Account prior to the due date of you Credit Line Account, you will pay the entire remaining balance in a single balloon statement.

After completion of the First Payment Stream, your Regular Payment will be based on your outstanding balance as shown below or \$100.00, whichever is greater ("Second Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	120	240 Payments

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment stream. If the ANNUAL PERCENTAGE RATE increases by 0.250% or more, we will review the effect the interest rate changes have had on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date. If the interest rate increases after our last review of your Credit Line Account prior to the due date of your Credit Line Account, you will pay the entire remaining balance in a single balloon payment.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take nine (9) years and nine (9) months to pay off the credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 3.250%. During that period, you would make 117 monthly payments ranging from \$78.69 to \$100.00.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Telephone Request, Request By Mail, in Person Request, Credit Line HELOC Draft and Digital Banking Limitations.

There are no transaction limitations for requesting an advance by telephone, requesting an advance by mail, requesting an advance in person, the writing of HELOC Drafts or accessing by other methods.

Minimum Balance. No minimum balance required. **Additional FEES AND CHARGES:** If the Home Equity Line of Credit is closed and the balance paid in full within the first three years, the member(s) will be responsible to reimburse the Credit Union for fees to third parties to open the plan. These fees generally total between \$200.00 - \$2,500.00. We will provide you with an itemization of the fees you would have to pay to third parties on the Addendum at the time of closing. Note: The Credit Union will not be responsible for any cost of any initial or replacement Abstract of Title or Title Search or survey if required. **Property Insurance:** You must carry hazard insurance on the property that secures this plan equal to replacement value. Maximum deductible allowed is \$1,000.00. If the property is located in a Special Flood Hazard Area we will require you to obtain Flood Insurance if it is available. We cannot require you to obtain an insurance policy in excess of the replacement cost of the improvements on the property securing the loan.

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

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Prime Rate as published in the Wall Street Journal. Information about the Index is available or published in the Wall Street Journal Money Rates Table. We will use the most recent Index value available to us as of 10 days before the date of any annual percentage rate adjustment. If the Index is no longer available, we will choose a new Index and margin. The new Index will have a historical movement substantially similar to the original Index, and the new Index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original index becomes unavailable.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your First Payment Stream, we add a margin to the value of the Index, round that sum to the nearest 0.125%, then divide the rounded value by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we add a margin to the value of the Index, round that sum up to the nearest 0.125%, then divide the rounded value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Initial Annual Percentage Rate Premium. The initial annual percentage rate is a “premium”-it is not based on the Index and margin for later rate adjustments. The initial rate will be in effect and cannot change for the first 60 months (5 Years) from the Plan closing date.

Forgo Rate Increase. If we forgo an annual percentage rate increase, at the time of a later adjustment we may return to the full rounded Index value plus margin.

Please ask us for the current index value, margin, premium and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change Semi Annually. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 16.000% per annum at any time during the term of the Plan, nor will the ANNUAL PERCENTAGE be less than 3.00% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE.

Draw Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 16.000% would be \$139.17. This ANNUAL PERCENTAGE RATE could be reached at the time of the 60th payment.

Repayment Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE would be \$139.14. This ANNUAL PERCENTAGE RATE could be reached at the time of the first (1st) payment during the repayment period.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index from 2009 to 2023. The index values are from the following reference period: as of the 1st day of January and July. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

		INDEX TABLE			
Year (as of the 1st day of January and July)		Index (Percent)	Margin (1) Percent	ANNUAL PERCENTAGE RATE (%)	Monthly Payment (Dollars)
Draw Period	2009	3.250%...	0.000	3.250	\$100.00
	2010	3.250%...	0.000	3.250	\$100.00
	2011	3.250%...	0.000	3.250	\$100.00
	2012	3.250%...	0.000	3.250	\$100.00
	2013	3.250%...	0.000	3.250	\$100.00
	2014	3.250%...	0.000	3.250	\$100.00
	2015	3.250%...	0.000	3.250	\$100.00
	2016	3.500%...	0.000	3.500	\$100.00
	2017	3.750%...	0.000	3.750	\$100.00
	2018	4.250%...	0.000	4.250	\$100.00

Repayment Period	2019	5.500%...	-1.500 (1)	4.000% (7)	\$100.00
	2020	4.750%...	-0.750 (2)	4.000% (7)	\$100.00
	2021	3.250%...	0.000	3.250	\$100.00
	2022	3.500%...	0.000	3.500	\$100.00
	2023	7.500%...	0.000	7.500	\$100.00

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

(2) This is the margin we have used recently; your margin may be different

(7) This ANNUAL PERCENTAGE RATE reflects a premium that we have provided recently; your Plan may be affected by a different premium amount.