

**Early Disclosure and Important Terms of Your Home Equity Secured Loan Program:  
Variable Rate Draw – Fixed Rate Repayment Plan**

Retention of Information: This disclosure contains important information about your Utah Power Credit Union (UPCU) Home Equity Secured Line of Credit Loan (the “Plan”). You should read it carefully and keep a copy for your records.

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

Availability of Terms: All of the terms described below are subject to change.

Security Interest: All of the terms described below are subject to change.

**Possible Actions:**

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 this 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 the use of funds or the dwelling for prohibited purposes.

Suspension or 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 declines significantly below the dwelling’s appraised value for purposes of the Plan. This can include, 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 depending on 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 changes, obligation 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), and obligations of any guarantor or comaker. No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.
- (d) We are precluded by government action from imposing the annual percentage rate (APR) provided for 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 APR 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 relation to our data processing systems).

Minimum Credit Limit: \$5,000.

Initial Advance Amount: None required.

Subsequent Advance Amount: Minimum subsequent advance is \$500.

Insurance: UPCU requires that you maintain hazard insurance on your property during the term of this line of credit. Flood insurance may be required, if in a designated flood area.

**Fees and Charges.** In order to open and maintain an account, you must pay certain fees and charges. If certain activities occur on your account, the following fees will be imposed upon the occurrence of the designated events. You may pay certain fees to third parties such as appraisers, title companies and government agencies. These third-party fees generally total between \$0.00 and \$1,900.00. We estimate the breakdown of these as follows.

	Fee Amount:	When Charged:
Points:	\$0.00	At closing
Loan Fee:	\$0.00	At closing
Annual Maintenance Fee:	\$0.00	At closing
Fee to Close Account:	\$400.00	At time your line is closed (within 24 months)
Cancellation Fee:	\$200.00	At occurrence
Reconveyance Fee:	\$250.00 (up to)	At occurrence
Over Limit Charge:	\$30.00	Each time your credit line exceeds your credit limit
Advance Less than Minimum:	\$15.00	Each occurrence
Late Charges:	\$15.00 or 5%	Each occurrence
Title Closing:	\$350.00	At closing
Recording:	\$100.00	At closing
Title Insurance:	\$850.00	At closing
Credit Report:	\$0.00	At closing
Appraisal:	\$600.00	When requested or if required

**Late Charges.** Payment will be late if it is not received by us within 10 days of the “Payment Due Date” shown on your periodic statement. If your payment is late, we may charge you 5% of the payment or \$15.00, whichever is greater.

**Qualification:** You may be required to close your account(s) at any other institution in order to obtain this loan.

**Negative Amortization:** Under some circumstances, your payments will not cover the finance charges that accrue and “negative amortization” will occur. Negative amortization will increase the amount that you owe us and reduce your equity in your home.

**Fixed Rate Conversion:** UPCU offers the option to close the draw period and convert the loan to a fix rate loan. The loan will convert to a fixed rate loan after the ten-year draw period. The line of credit is up to 85% of the value of the home.

**Minimum Payment Requirements:** You can obtain advances of credit during the following period: ten years from the date of the plan (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: ten years from the end of the draw period. Initially, your Regular Payment will equal the amount of your accrued finance charges or \$35.00, whichever is greater. You will make 60 of these payments. Your payments will be due monthly. Thereafter, your Regular Payment will be based on an amortization of your balance at the start of the new payment period plus all accrued finance charges as shown below or \$35.00, whichever is greater. Your payments will be due monthly. In calculating the payment amount by amortizing the balance over a certain period we will use the APR in effect on the day we calculate your payment.

**Regular Payment Calculation.** 1/120<sup>th</sup> of your balance at the start of the payment period plus all accrued finance charges your “minimum payment” will be the Regular Payment, plus any amount past due and all other charges. In any event, if your Credit Line balance falls below \$35.00, you agree to pay your balance in full.

**Minimum Payment Example.** If you made only the minimum payment and took no other credit advances, it would take 15 years to pay off a credit advance of \$10,000.00 at an APR of 10.00%. Initially, you would make 60 monthly payments of \$84.93. Then you would make 120 monthly payments of \$132.21.

**Variable Rate Feature:** The Plans have a variable rate feature. Your APR and monthly payment may change quarterly. The APR includes interest only and no other costs.

**The Index.** The variable APR that will apply to your account is determined by adding a margin to the Index. The Index is the prevailing prime rate as disclosed in the Wall Street Journal on the last day of each quarter. The Index is rounded up to the nearest one-quarter of one percent (0.25%) and is computed as of each quarter. 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 APR that is substantially similar to the rate in effect at the time the original Index becomes unavailable. Please ask us for the current Index value, margin, discount and annual rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Frequency of Apr Adjustments.** Your APR can change every three months on February 1, May 1, August 1, and November 1 of each year (Change Dates). The maximum APR that can apply is eighteen percent (18.00%), and the minimum rate cannot decrease below two point nine-nine percent (2.99%).

**Maximum Rate and Payment Example.**

**Draw Period.** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum APR of 18.00% would be \$152.88. This APR could be reached at the time of the 1st payment.

**Repayment Period.** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum APR of 18.00% would be \$180.19. This APR could be reached at the time of the 1st payment during the repayment period.

**Prepayment.** A fee of \$400.00 will be charged if this line is terminated by the borrower within 24 months of the loan agreement.

**Historical Example:** The example below shows how the APR and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2003 - 2018. The index values are from the following reference period: as of July 31st. 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 and that only the minimum payment was made. It does not necessarily indicate how the Index or your payment would change in the future.

Based on Wall Street Prime Rate and \$10,000.00 Loan. Index values are from July of Each Year. Plan One (LTV up to 85%).

Year	Index	Margin*	APR	Min. Monthly Pmt
2003	4.00%	1.00%	5.00%	\$42.47
2004	4.25%	1.00%	5.25%	\$44.59
2005	6.25%	1.00%	7.25%	\$61.58
2006	8.25%	1.00%	9.25%	\$78.56
2007	8.25%	1.00%	9.25%	\$78.56
2008	5.00%	1.00%	6.00%	\$50.96
2009	3.25%	1.00%	4.25%	\$36.10
2010	3.25%	1.00%	4.25%	\$36.10
2011	3.25%	1.00%	4.25%	\$36.10
2012	3.25%	1.00%	4.25%	\$36.10
----- Draw Period Ends ----- Repayment Begins -----				
2013	3.25%	1.00%	4.25%***	\$102.46
2014	3.25%	1.00%	4.25%	\$102.46
2015	3.25%	1.00%	4.25%	\$102.46
2016	3.25%	1.00%	4.25%	\$102.46
2017	3.25%	1.00%	4.25%	\$102.46
2018	3.25%	1.00%	4.25%	\$102.46

\*This is a margin we have used recently; your margin may be different.

\*\*This rate reflects the 18.00% rate cap.

\*\*\*This rate reflects your fixed rate repayment period.

**Acknowledgment.** I have received a copy of this disclosure and of the booklet entitled "When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit." This is not a commitment to make a loan.

\_\_\_\_\_  
 Borrower

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Borrower

\_\_\_\_\_  
 Date

**Early Disclosure and Important Terms of Your Home Equity Secured Loan Program:  
Variable Rate Repayment Plan**

Retention of Information: This disclosure contains important information about your Utah Power Credit Union (UPCU) Home Equity Secured Line of Credit Loan (the "Plan"). You should read it carefully and keep a copy for your records.

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

Availability of Terms: All of the terms described below are subject to change.

Security Interest: All of the terms described below are subject to change.

Possible Actions:

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 this 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 the use of funds or the dwelling for prohibited purposes.

Suspension or 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 declines significantly below the dwelling's appraised value for purposes of the Plan. This can include, 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 depending on 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 changes, obligation 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), and obligations of any guarantor or comaker. No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.
- (d) We are precluded by government action from imposing the annual percentage rate (APR) provided for 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 APR 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 relation to our data processing systems).

Minimum Credit Limit: \$5,000.

Initial Advance Amount: None required.

Subsequent Advance Amount: Minimum subsequent advance is \$500.

Insurance: UPCU requires that you maintain hazard insurance on your property during the term of this line of credit. Flood insurance may be required, if in a designated flood area.

**Fees and Charges.** In order to open and maintain an account, you must pay certain fees and charges. If certain activities occur on your account, the following fees will be imposed upon the occurrence of the designated events. You may pay certain fees to third parties such as appraisers, title companies and government agencies. These third-party fees generally total between \$0.00 and \$1,900.00. We estimate the breakdown of these as follows.

	Fee Amount:	When Charged:
Points:	\$0.00	At closing
Loan Fee:	\$0.00	At closing
Annual Maintenance Fee:	\$0.00	At closing
Fee to Close Account:	\$400.00	At time your line is closed (within 24 months)
Cancellation Fee:	\$200.00	At occurrence
Reconveyance Fee:	\$250.00 (up to)	At occurrence
Over Limit Charge:	\$30.00	Each time your credit line exceeds your credit limit
Advance Less than Minimum:	\$15.00	Each occurrence
Late Charges:	\$15.00 or 5%	Each occurrence
Title Closing:	\$350.00	At closing
Recording:	\$100.00	At closing
Title Insurance:	\$850.00	At closing
Credit Report:	\$0.00	At closing
Appraisal:	\$600.00	When requested or if required

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**MINIMUM PAYMENT REQUIREMENTS:** You can obtain advances of credit during the following period: ten years from the date of the plan (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: ten years from the end of the draw period. Initially, your Regular Payment will equal the amount of your accrued finance charges or \$35.00, whichever is greater. You will make 60 of these payments. Your payments will be due monthly. Thereafter your Regular Payment will be based on an amortization of your balance at the start of the new payment period plus all accrued finance charges as shown below or \$35.00, whichever is greater. Your payments will be due monthly. In calculating the payment amount by amortizing the balance over a certain period we will use the APR in effect on the day we calculate your payment.

**Regular Payment Calculation.** 1/120<sup>th</sup> of your balance at the start of the payment period plus all accrued finance charges your "minimum payment" will be the Regular Payment, plus any amount past due and all other charges. In any event, if your Credit Union Line balance falls below \$35.00, you agree to pay your balance in full.

**Minimum Payment Example.** If you made only the minimum payment and took no other credit advances, it would take 15 years to pay off a credit advance of \$10,000.00 at an APR of 10.00%. Initially, you would make 60 monthly payments of \$84.93. Then you would make 120 monthly payments of \$132.21.

**Variable Rate Feature:** The Plans have a variable rate feature. Your APR and monthly payment may change quarterly. The APR includes interest only and no other costs.

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**Repayment Period.** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum APR of 18.00% would be \$180.19. This APR could be reached at the time of the 1st payment during the repayment period.

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Based on Wall Street Prime Rate and \$10,000.00 Loan. Index values are from July of Each Year.

Year	Index	PLAN ONE (LTV up to 85%)			PLAN TWO (LTV above 85% to 100%)			PLAN THREE (LTV up to 65%)		
		Margin	APR	Min Pmt	Margin	APR	Min Pmt	Margin	APR	Min Pmt
2003	4.00%	2.00%	6.00%	\$50.96	1.50%	5.50%	\$46.71	0.00%	4.00%	\$33.97
2004	4.25%	2.00%	6.25%	\$53.08	1.50%	5.75%	\$48.84	0.00%	4.25%	\$36.10
2005	6.25%	2.00%	8.25%	\$70.07	1.50%	7.75%	\$65.82	0.00%	6.25%	\$56.08
2006	8.25%	2.00%	10.25%	\$87.05	1.50%	9.75%	\$82.81	0.00%	8.25%	\$70.07
2007	8.25%	2.00%	10.25%	\$87.05	1.50%	9.75%	\$82.81	0.00%	8.25%	\$70.07
2008	5.00%	2.00%	7.00%	\$59.45	1.50%	6.50%	\$40.34	0.00%	5.00%	\$42.47
2009	3.25%	2.00%	5.25%	\$44.59	1.50%	4.75%	\$40.34	0.00%	3.25%	\$27.60
2010	3.25%	2.00%	5.25%	\$44.59	1.50%	4.75%	\$40.34	0.00%	3.25%	\$27.60
2011	3.25%	2.00%	5.25%	\$44.59	1.50%	4.75%	\$40.34	0.00%	3.25%	\$27.60
2012	3.25%	2.00%	5.25%	\$44.59	1.50%	4.75%	\$40.34	0.00%	3.25%	\$27.60
----- Draw Period Ends ----- Repayment Begins -----										
2013	3.25%	2.00%	5.25%	\$107.32	1.50%	4.75%	\$104.88	0.00%	3.25%	\$97.74
2014	3.25%	2.00%	5.25%	\$107.32	1.50%	4.75%	\$104.88	0.00%	3.25%	\$97.74
2015	3.25%	2.00%	5.25%	\$107.32	1.50%	4.75%	\$104.88	0.00%	3.25%	\$97.74
2016	3.50%	2.00%	5.50%	\$108.56	1.50%	5.00%	\$106.09	0.00%	3.50%	\$98.91
2017	4.50%	2.00%	6.50%	\$113.59	1.50%	6.00%	\$111.06	0.00%	4.50%	\$103.67
2018	5.50%	2.00%	7.50%	\$118.75	1.50%	7.00%	\$116.15	0.00%	5.50%	\$108.56

\*This is a margin we have used recently; your margin may be different.

\*\*This rate reflects the 18.00% rate cap.

**Acknowledgment.** I have received a copy of this disclosure and of the booklet entitled "When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit." This is not a commitment to make a loan.

Borrower \_\_\_\_\_

Date \_\_\_\_\_

Borrower \_\_\_\_\_

Date \_\_\_\_\_