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## IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

**THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY SECURED OPEN-END LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. THE TERMS FOR ALL PLANS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.**

### 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 you paid to us or anyone else in connection with your application.

### Security Interest

We will take a Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

### Possible Actions

#### Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan and require payment in full of the entire outstanding balance in a single payment.

#### Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the annual percentage rate provided for or impairs our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum annual percentage rate under the plan is reached; or (9) a regulatory agency has notified us that further advances under this plan constitute an unsafe and unsound practice.

The initial agreement permits us to make certain changes to the terms of the agreement at specific times or upon the occurrence of specified events.

### Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, your minimum periodic payment will be established at the close of each billing cycle at an amount equal to 1.35% of your then outstanding principal balance, which payment amount is rounded up to the nearest \$1.00, subject to the lesser of \$100.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 180 months. During the repayment period, Your minimum periodic monthly payment will be calculated in the same manner as the draw period.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the repayment period in which case, you will be required to pay your entire remaining balance in a single balloon payment on the Agreement Maturity Date.

### Negative Amortization

#### Equity Line 90

Under some circumstances, your payment 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.

#### Sub-Prime Equity Line 80

Under some circumstances, your payment 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.

### Minimum Payment Example

#### Equity Line 80

If you made only the minimum payments and took no other credit advances, it would take 125 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.50%. During that period, you would make 120 monthly payments varying between \$135.00 and \$100.00 followed by 4 monthly payments of \$100.00 and a final payment of \$2.68.

#### Equity Line 90

If you made only the minimum payments and took no other credit advances, it would take 132 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.50%. During that period, you would make 120 monthly payments varying between \$135.00 and \$100.00, followed by 11 monthly payments of \$100.00, and a final payment of \$69.14.

#### Sub-Prime Equity Line 80

If you made only the minimum payments and took no other credit advances, it would take 137 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.00%. During that period, you would make 120 monthly payments varying between \$135.00 and \$100.00, followed by 16 monthly payments of \$100.00 and a final payment of \$2.34.

### Fees And Charges

To open and maintain a line of credit, you must pay Us a \$100.00 Application Fee. You may also have to pay certain fees to third parties. These fees generally total from \$300.00 to \$600.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

### Insurance

You must carry insurance on the property that secures this plan.

### Minimum Draw And Balance Requirements

The initial credit advance on your account must be equal to or greater than \$250.00. Each subsequent credit advance must also be equal to or greater than \$250.00.

If you agree to take an initial credit advance that is equal to or greater than \$5,000.00, and also agree to maintain an outstanding principal balance on your Account that is equal to or greater than \$5,000.00 for the first 36 months after your account is established, the Credit Union will pay certain fees and charges on your behalf at the time your account is established. Ask us about the fees and charges we will pay. If the outstanding principal balance on your Account falls below \$5,000.00 at any time during the 36-consecutive-month period immediately following the date of agreement, any fees and charges that we have paid on your behalf will be posted as an advance to your account at that time.

### Tax Deductibility

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

### Other Products

If you ask, we will provide you with information on any other home equity products we offer.

### Variable Rate Feature

Following the expiration of any Introductory Rate period, these plans have a Variable Rate feature. The Annual Percentage Rate (corresponding to the periodic rate), the number of your regularly scheduled payments during the draw and the repayment periods, and the amount of your final payment can 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 highest Prime Rate as published in the Federal Reserve Bulletin (H.15) in effect on the day that any Introductory Rate period expires, and subsequently, on the third Thursday of each month of each year. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, discount, and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

### Introductory Rate

#### Equity Line 80

For the twelve-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 1.99%.\* Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is discounted, it is not based on the index and margin used for later adjustments.

\*This represents an introductory rate that we have recently used.

#### Equity Line 90

For the six-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 3.99%.\* Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is discounted, it is not based on the index and margin used for later adjustments.

\*This represents an introductory rate that we have recently used.

#### Sub-Prime Equity Line 80

For the six-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 3.99%.\* Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is discounted, it is not based on the index and margin used for later adjustments.

\*This represents an introductory rate that we have recently used.

### Rate Changes

Your Annual Percentage Rate can change on the day that any Introductory Rate period expires, and subsequently, on the first day of each month of each year. Other than for the maximum and minimum Annual Percentage Rates that can apply at any time, your interest rate cannot increase or decrease by more than 3.00 percentage points per calendar year.

#### Equity Line 80

The maximum **ANNUAL PERCENTAGE RATE** at any time is 16.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 4.75%.

#### Equity Line 90

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 5.75%.

#### Sub-Prime Equity Line 80

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 5.75%.

### Maximum Rate And Payment Examples

#### Equity Line 80

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 16.00% would be \$135.00. This Annual Percentage Rate could be reached during the 48th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 16.00% would be \$135.00. This Annual Percentage Rate could be reached during the 36th month of the repayment period.

#### Equity Line 90

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$135.00. This Annual Percentage Rate could be reached during the 42nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$135.00. This Annual Percentage Rate could be reached during the 36th month of the repayment period.

#### Sub-Prime Equity Line 80

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$135.00. This Annual Percentage Rate could be reached during the 42nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$135.00. This Annual Percentage Rate could be reached during the 36th month of the repayment period.

#### Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2004. The index is from The Wall Street Journal and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the 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 the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin			ANNUAL PERCENTAGE RATE			Payment Period	Minimum Payment		
		(1)	(2)	(3)	(1)	(2)	(3)		(1)	(2)	(3)
2004	4.00	1.00	2.00	2.50	1.99% <sup>(4)</sup>	3.99% <sup>(4)</sup>	3.99% <sup>(4)</sup>	DRAW	\$135.00	\$135.00	\$135.00
2005	5.25	1.00	2.00	2.50	4.99% <sup>(5)</sup>	7.25%	7.75%	DRAW	\$117.00 <sup>(7)</sup>	\$121.00 <sup>(7)</sup>	\$121.00 <sup>(7)</sup>
2006	7.25	1.00	2.00	2.50	7.99% <sup>(5)</sup>	9.25%	9.75%	DRAW	\$105.00 <sup>(7)</sup>	\$111.00 <sup>(7)</sup>	\$111.00 <sup>(7)</sup>
2007	8.25	1.00	2.00	2.50	9.25%	10.25%	10.75%	DRAW	\$100.00 <sup>(8)</sup>	\$103.00 <sup>(7)</sup>	\$104.00 <sup>(7)</sup>
2008	7.25	1.00	2.00	2.50	8.25%	9.25%	9.75%	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2009	3.25	1.00	2.00	2.50	5.25% <sup>(5)</sup>	6.25% <sup>(5)</sup>	6.75% <sup>(5)</sup>	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2010	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2011	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2012	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2013	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	DRAW	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2014	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	REPAYMENT	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2015	3.25	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	5.75%	REPAYMENT	\$0.00	\$100.00 <sup>(8)</sup>	\$100.00 <sup>(8)</sup>
2016	3.50	1.00	2.00	2.50	4.75% <sup>(6)</sup>	5.75% <sup>(6)</sup>	6.00%	REPAYMENT	\$0.00	\$0.00	\$0.00
2017	3.75	1.00	2.00	2.50	4.75%	5.75%	6.25%	REPAYMENT	\$0.00	\$0.00	\$0.00
2018	4.50	1.00	2.00	2.50	5.50%	6.50%	7.00%	REPAYMENT	\$0.00	\$0.00	\$0.00

- (1) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Equity 80 Line of Credit.
- (2) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Equity 90 Line of Credit.
- (3) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Sub-Prime Equity 80 Line of Credit.
- (4) This represents an introductory rate that we have recently used.
- (5) This represents the 3.00% per year rate change limitation.
- (6) This represents the minimum annual percentage rate.
- (7) This represents the rounding up of the payment amount to the nearest dollar.
- (8) This represents the \$100.00 minimum payment.