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LOANLINER

REAL ESTATE LENDING



POWERED BY
CUNA MUTUAL
GROUP

**HOME EQUITY
ADDENDUM**

CREDIT CARD ACCESS

This Addendum is incorporated into and becomes a part of your LOANLINER® Credit Agreement and Truth in Lending Disclosure.

OPENING DATE MATURITY DATE CREDIT LIMIT ACCOUNT NUMBER

BORROWER NAME AND ADDRESS ADDRESS OF PROPERTY SECURING ACCOUNT

YOUR PAYMENT OPTION IS CHECKED HERE: REGULAR PAYMENT or HELOC ELITE PLAN

CHECK THE PAYMENT FACTOR FOR THE PLAN: 1.05% or 1.10% or 1.20%

CHECK HERE IF THIS PLAN DOES NOT HAVE A DISCOUNT FEATURE

INDEX RATE	MARGIN ADDED TO INDEX	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
%	%	%	%

CHECK HERE IF THE DISCOUNT FEATURE APPLIES

INITIAL DISCOUNTED RATE: The initial discounted rate will be in effect _____; or the initial margin is being discounted until _____.
If the initial rate is discounted, it is shown below.

ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
%	%

If the initial margin is discounted, it is shown below along with the current index:

DISCOUNTED MARGIN	INDEX RATE	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
%	%	%	%

The current rate and margin that would have applied without the discount is:

INDEX RATE	MARGIN ADDED TO INDEX	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
%	%	%	%

SCHEDULE OF CLOSING COSTS:

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

PAYMENT INFORMATION: We offer two payment plans: the "Regular Payment Plan", and the "HELOC Elite Plan". Terms apply to all plans unless otherwise indicated. Your plan is indicated above.

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. You will be required to make monthly payments during both the draw and repayment periods.

Regular Payment Plan: Your payment will be 1.05%, 1.10% or 1.20% of the outstanding balance at the time you obtain an advance or \$25.00, whichever is greater. We will calculate the new payment at the close of the month in which the advance occurred, and will round the payment up to the nearest dollar. The payment will remain the same until you take a new advance. 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 but will never exceed 15 years.

HELOC Elite Plan: Your payment will be 1.05%, 1.10% or 1.20% of the outstanding balance at the time you obtain an advance or \$25.00, whichever is greater. We will calculate the new payment at the close of the month in which the advance occurred, and will round the payment up to the nearest dollar. The payment will remain the same until you take a new advance. 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 but will never exceed 10 years.

All Plans: Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases during the repayment period, you

will be required to make more payments of the same amount until the end of the repayment period.

The minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon payment at the maturity date. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs.

If the interest rate increases so much that the minimum payment is not adequate to pay the accrued finance charges (interest), we will increase the payment amount to be 1.70% of the balance. The payment percent will return to the applicable percentage once that percentage is adequate to pay the accrued finance charges.

PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE: We will determine the periodic rate and the corresponding annual percentage rate as follows. We start with an independent index, (the "Index"), which is the Wall Street Journal Prime Rate. 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 the day before any annual percentage rate change. To determine the periodic rate that will apply to your account, we add a margin, as disclosed above, to the value of the Index. Then we divide this sum by the number of days in a year (365). To obtain the annual percentage rate we will multiply the periodic rate by the number of days in a year (365). This result is the annual percentage rate.

The annual percentage rate can change once a month the day following a change in the index except if the rate has been discounted for a fixed period of time. There is no limit on the amount that the annual percentage rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% or the maximum permitted by law, whichever is less. For the Regular Payment plan, the minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.50% after the expiration of any discounted rate. For the HELOC Elite Plan, the minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.25%.

DISCOUNT: If the initial annual percentage rate has been discounted it will not be based on the index and margin used for subsequent rate adjustments. Your account must remain in good standing to maintain the discounted rate for the discounted period. The discount period will end and the annual percentage rate will revert to the current index and regular margin if you become delinquent on the plan or past due on your payment.

COST OF CREDIT: This paragraph replaces the COST OF CREDIT paragraph in your Home Equity Credit Agreement:

You understand that you will be charged a **FINANCE CHARGE** on all purchases and cash advances. The **FINANCE CHARGE** begins on the date each transaction is posted to your account. The **FINANCE CHARGE** is computed by the application of a daily periodic rate to the outstanding balances of Purchases and Cash Advances on your account at the close of the business day. This determines each day's **FINANCE CHARGE**. The sums of each day's **FINANCE CHARGES** are added together until the date of the next payment to determine the **FINANCE CHARGE** applied to that payment. The principal balances of Purchases and Cash Advances are determined each day during the statement period, beginning with the principal portion of your previous balance, reduced by payments made and

credit applied, and increased by purchases and cash advances you make and debit adjustments we make during the statement period. The daily principal balances are totaled and divided by the number of days in the statement period to produce the average daily principal balance.

PAYMENT OF CLOSING COSTS; RECOVERY OF CLOSING COSTS:

We may pay on your behalf third party closing costs as applicable to your plan, including, but not limited to, those costs that appear in the "Schedule of Closing Costs" set forth above ("Closing Costs"). Notwithstanding our agreement to pay some or all of the Closing Costs on your behalf, you agree to reimburse us the bona fide Closing Costs paid by us if you close your plan within 24 months of opening it. To the extent permitted by applicable law, you also agree to reimburse us the Closing Costs paid by us if, within such time period, you trigger "Lender's Rights for Termination and Acceleration" as defined in Section 13(a) of the Open-End Home Equity Credit Agreement and Truth in Lending Disclosure. We may add any amount owed under this paragraph to your outstanding principal balance, unless other payment arrangements are made.

OTHER CHARGES:

Late Payment Fee: For loans with a credit limit of \$10,000 or less: If you are ten (10) days or more delinquent, you agree to pay a late charge equal to five percent (5.00%) of each payment that becomes delinquent or \$10.00, whichever is less. For loans with a credit limit of \$10,000.01 or greater: If you are ten (10) days or more delinquent, you agree to pay a late charge equal to fifteen percent (15.00%) of each payment that becomes delinquent or \$30.00, whichever is greater.

Over the Credit Limit Fee: You agree to pay an over the limit fee of \$20.00 each month you are over the limit by 5% or \$250.00, whichever is less.

Card Replacement: You agree to pay a card replacement fee of \$10.00 to replace a credit card.

Annual Fee: You agree to pay an annual fee of \$50.00 charged to your account when you open the plan and annually on each anniversary date.

At the lenders discretion, we may add any amount owed under this section to your outstanding principal balance, unless other payment arrangements are made.

COLLECTION COSTS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorney fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

SHAREDRAFT ACCESS: We may authorize you to obtain credit advances by writing sharedrafts on your home equity account. We reserve the right not to honor a sharedraft in the following circumstances:

- (a) Your Credit Limit has been or would be exceeded by paying the sharedraft.
- (b) Your sharedraft is post-dated. If a post-dated sharedraft is paid and as a result any other check is returned or not paid, we are not responsible.
- (c) Your sharedrafts have been reported lost or stolen. You should notify us at once if your sharedrafts are lost or stolen.
- (d) Your sharedraft is not signed by an "Authorized Signer", which means a person who signed this Agreement, or has signed a separate signature card for the account.

(e) Your account has been terminated or suspended as provided in this Agreement.

(f) The amount of your sharedraft is less than the minimum amount required by this Agreement or you are in violation of any other transaction requirement.

If we pay any sharedraft under these conditions, you must repay us for the amount of the sharedraft and any charges permitted by law. The sharedraft itself will be evidence of your debt to us together with this Agreement. Our liability, if any, for wrongful dishonor of a sharedraft is limited to your actual damages. Dishonor for any reason as provided in the Agreement is not wrongful dishonor. We may not return the sharedrafts along with your periodic statements; however, your use of a sharedraft will be reflected on your periodic statement as a credit advance. We do not "certify" sharedrafts drawn on your account.

VISA CREDIT CARD: At your request and our approval, we will issue you a VISA credit card to be used in connection with this Plan. You may use the card to obtain cash advances and make purchases under this Plan. The card(s) issued to you remain the property of the credit union. You may surrender them at any time and you must surrender them upon our request. You are responsible for charges made by anyone else to whom you give the card, and this responsibility continues until the card is recovered.

USING YOUR CARD: You may use your card to make purchases from merchants and others who accept VISA cards. Additionally, you may obtain cash advances from the Credit Union and other financial institutions that accept VISA cards, and from some automated teller machines (ATM's), such as the VISA ATM Network, that accept VISA cards. Not all ATM's accept VISA cards. To obtain cash advances from an ATM, you must use the Personal Identification Number (PIN) that is issued to you for use with your card.

RETURNS AND ADJUSTMENTS: Merchants and others who honor the card may give credit for returns or adjustments, and they will do so by initiating a credit to us, which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances or if it's \$1 or more, refund it on your written request.

PLAN MERCHANT DISPUTES: We are not responsible for the refusal of any plan merchant or financial institution to honor your card. We are subject to claims and defenses (other than tort claims) arising out of goods and services with the card only if you made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant, and (a) your purchase was made in response to an advertisement we sent or participated in sending you or (b) your purchase cost, if more than \$50.00, and was made from a plan merchant in your state or within one hundred (100) miles of your home. You must resolve any other disputes directly with the plan merchant.

INFORMATION UPDATING SERVICE AND AUTHORIZATION: If you have authorized a merchant to bill charges to your card on a recurring basis, it is your responsibility to notify the merchant in the event your card is replaced, your card information (such as card number or expiration date) changes, or your account is closed. However, if your card is replaced or your card information changes, you authorize us without obligation on our part, to provide the updated account information to the merchant in order to permit the merchant to bill recurring charges to your card. You authorize

us to apply such recurring charges to your card until you notify us that you have revoke authorization for the charges to your card.

Your card is automatically enrolled in an information updating service. Through this service, your updated account (such as card number or expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed before your next payment to a merchant is due. You are responsible for making direct payment until recurring charges resume. To revoke your authorization allowing us to provide updated account information to a merchant, please contact us.

PREAUTHORIZED CHARGES: We may suspend preauthorized recurring charges with merchants if, for example, your card is lost or stolen, you default, or we change your card number or expiration date credit card information for any reason. If preauthorized recurring charges are suspended, you are responsible for making direct payment for such charges until you contact the merchant to reinstate recurring charges.

FOREIGN TRANSACTIONS: Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

A fee of 1% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all multiple currency foreign transactions, including purchases, cash advances and credits to your account. A fee of 0.8% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all single currency foreign transactions, including purchases, cash advances and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

ILLEGAL TRANSACTIONS PROHIBITED: You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law.

LIABILITY FOR UNAUTHORIZED USE-LOST/STOLEN CARD NOTIFICATION. You agree to notify us immediately, orally **AND** in writing at PO Box 15115, Tucson, AZ 85708-0115 **AND** telephone (520) 298-7882 Monday through Friday 8:00 A.M. to 5:00 P.M./ (800) 991-4965 and (800) 554-8969 twenty-four (24) hours a day, seven (7) days a week, of the loss, theft, or unauthorized use of your Credit Card. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. You will have no liability for unauthorized use unless you are found to be fraudulent or negligent in the handling of your card. In any case, your liability for unauthorized transactions will not exceed \$50.

OVERDRAFT: If you have been approved for overdraft protection under this Plan, we will honor drafts drawn on insufficient funds in any checking account by transferring funds from this Plan in an amount sufficient to cover the overdraft. We will transfer overdraft in \$100.00 increments. You

will be able to access your account if you overdraw your regular checking account either by writing a paper check or using a debit card.

PREFERRED RATE: From time to time we offer Annual Percentage Rate reductions if you have various services with the credit union. You must maintain the qualifying services or the Annual Percentage Rate will increase to the standard rate. Refer to the "Preferred Service Schedule" which is incorporated into this Addendum by reference.

RECORDING OF CALLS. You hereby authorize us to make, at our sole option and discretion, recordings of all telephone calls you make to or accept from us. Such recorded calls shall be conclusive evidence of your instructions to the credit union to the extent permitted by federal and state law. However, such recordings shall not constitute a binding modification to this agreement or the terms herein.

SAMPLE