

Ask us for our current Index values, margin, discount, and **ANNUAL PERCENTAGE RATE**. After you open the HELOC, **ANNUAL PERCENTAGE RATE** information will be provided on periodic statements that we send to you.

Rate Changes: Your **ANNUAL PERCENTAGE RATE** is subject to change on the day following your statement Closing Date each month. These dates shall be known as "Adjustment Dates."

Maximum and Minimum Rate: The maximum **ANNUAL PERCENTAGE RATE** during the term of the Agreement is 18.00%, except that the maximum may not exceed the maximum **ANNUAL PERCENTAGE RATE** permitted Federal Credit Unions at the time of each **ANNUAL PERCENTAGE RATE** change. The minimum **ANNUAL PERCENTAGE**

RATE is the Prime Rate plus the margin or minus the discount, as applicable to your Home Equity Line of Credit. There is no limit on the amount by which the rate can change in any one (1) month or one (1) year period.

Maximum Rate and Payment Examples: During the Draw Period if you had an outstanding balance of \$10,000.00, the Minimum Monthly Payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$175.00. This **ANNUAL PERCENTAGE RATE** could be reached at the first Adjustment Date in the Draw Period. During the Repayment Period if you had an outstanding balance of \$10,000.00, the Minimum Monthly Payment at the maximum **ANNUAL PERCENTAGE RATE** would be \$200.00. This **ANNUAL PERCENTAGE RATE** could be reached at the first Adjustment Date in the Repayment Period.

Historical Example: The following table shows how the **ANNUAL PERCENTAGE RATE** and the monthly payment for a single \$10,000.00 credit advance would have changed based on changes in the Index over the past fifteen (15) years. The Index values for the Prime Rate are those that would have been used for the month of April of each year. While only one payment option per year is shown, payments could have varied during the year. The table assumes that no additional 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. The margin disclosed is one used recently.

	Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payments (\$)
DRAW PERIOD	1991	9.00	1.50	10.50	100.00
	1992	6.50	1.50	8.00	73.82
	1993	6.00	1.50	7.50	73.05
	1994	6.00	1.50	7.50	71.92
	1995	9.00	1.50	10.50	94.40
	1996	8.25	1.50	9.75	92.92
	1997	8.25	1.50	9.75	90.73
	1998	8.50	1.50	10.00	88.60
	1999	7.75	1.50	9.25	86.74
	2000	8.75	1.50	10.25	84.25
REPAYMENT PERIOD	2001	8.50	1.50	10.00	124.06
	2002	4.75	1.50	6.25	124.06
	2003	4.25	1.50	5.75	124.06
	2004	4.00	1.50	5.50	124.06
	2005	5.50	1.50	7.00	124.06

*The margin disclosed is one used recently based on a loan-to-value of between 90.01% to 100%; your margin may be different based on credit score.



Chevron Federal Credit Union

Home Equity Line-of-Credit (HELOC) Early Federal Disclosure Information

Loan-to-Value 90.01% to 100%

Chevron Federal Credit Union

Please Direct Correspondence to:

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Oakland, CA 94604-2069

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**Important Information
Please Read Carefully**

If you wish to apply for a Home Equity Line-of-Credit (HELOC), you should read the following information carefully.

In this Early Federal Disclosure the words "YOU," "YOUR" and "YOURS" mean each and all of those who sign the Home Equity Line-of-Credit (HELOC) Agreement and Disclosure Statement (herein "Agreement"). The words "WE," "US" and "OUR" mean Chevron Federal Credit Union.

Retention of Information: This Disclosure contains important information about our HELOC. You should read it carefully and keep a copy for your records.

Availability of Terms: All of the terms described in this Early Federal Disclosure are subject to change. If these terms change (other than a change in the **ANNUAL PERCENTAGE RATE**) and you decide, as a result, not to enter into a HELOC 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 in Your Home: We will take a Deed of Trust (mortgage) on your home in connection with this HELOC. You could lose your home if you do not meet the obligations in your Agreement with us.

Hazard Insurance: You must maintain hazard insurance coverage on the property that secures this HELOC naming us as loss payee and insuring the property against loss or damage from fire and other perils. You must also maintain flood insurance if your property is located in an area designated as an area having special flood hazards. The proceeds of any insurance on the property, whether or not required by us, shall be applied solely to repairs of the property or repayment of the loan.

No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

Possible Creditor Actions: We can terminate your HELOC with us, require you to pay us the entire Unpaid Balance in one payment, and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with the HELOC.
- You do not meet the repayment terms under the HELOC.

- Your action or inaction adversely affects the security for the HELOC (your dwelling) or our rights in the security.

We can refuse to make additional extensions of credit or reduce your HELOC limit if:

- The value of the dwelling securing the HELOC declines significantly below its appraised value.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the Agreement or Deed of Trust.
- Government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under the Agreement or impairs our security interest such that the value of the interest therein is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances under your HELOC with us would constitute an unsafe and unsound practice.
- The maximum **ANNUAL PERCENTAGE RATE** under the Agreement is reached.

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

Draw Period and Repayment Terms: You will be permitted to take advances upon your HELOC with us, up to your available credit limit, for a period ending on the tenth (10th) anniversary of the date of your Agreement. This is known as the "Draw Period." Thereafter, you will no longer be permitted to take advances but you will be required to pay off the Unpaid Balance of your HELOC plus any interest and other applicable fees and charges. This is known as the "Repayment Period." The amount of Minimum Monthly Payments during the Draw Period will depend on the New Balance at each statement Closing Date and the applicable **ANNUAL PERCENTAGE RATE(s)**. The length of the Repayment Period will depend on the New Balance at the end of the Draw Period and the applicable **ANNUAL PERCENTAGE RATE(s)**, and will be approximately 15 years.

You must pay us a Minimum Monthly Payment each billing cycle during both the Draw and Repayment Periods. During the Draw Period, your Minimum Monthly Payment is calculated by reference to the New Balance of your account and the **ANNUAL PERCENTAGE RATE(s)** in effect as of each statement Closing Date, as determined from the following chart:

If the ANNUAL PERCENTAGE RATE is:	Then the Minimum Monthly Payment will be the following Percentage of the New Balance at Each Statement Close Date:
Less than 9.00%	0.75%
9.00% - 11.99%	1.00%
12.00% - 14.99%	1.25%
15.00% - 17.99%	1.50%
18.00%	1.75%

During the Repayment Period, the Minimum Monthly Payment shall for the duration of the Repayment Period be based on your New Balance at the end of the Draw Period. The Minimum Monthly Payment during the Repayment Period is determined from the chart below:

If the ANNUAL PERCENTAGE RATE is:	Then the Minimum Monthly Payment will be the following Percentage of the New Balance at Each Statement Close Date:
Less than 9.00%	1.10%
9.00% - 14.99%	1.50%
15.00% - 18.00%	2.00%

However, in no event during the Draw and Repayment Periods will the Minimum Monthly Payment be less than (a) \$50.00 or (b) the New Balance plus **FINANCE CHARGES** and late charges (if any), whichever is less. Also, if any amount is Past Due, this Past Due amount must be paid in addition to your Minimum Monthly Payment. If any amount exceeds your credit limit, the amount in excess of your Credit Limit must be paid in addition to your Minimum Monthly Payment. Your Minimum Monthly Payment will be applied in the following order: (a) fees and late charges, if any, (b) **FINANCE CHARGES** and (c) the Unpaid Balance. You may make larger payments on your account at any time without penalty.

Minimum Payment Example: Assume you obtain a \$10,000 advance under your HELOC with an initial **ANNUAL PERCENTAGE RATE** of 7.00% and, for purposes of this example, that the **ANNUAL PERCENTAGE RATE** does not vary throughout the term of the Agreement. (Keep in mind, that your **ANNUAL PERCENTAGE RATE** will vary throughout the term of the Agreement.) If you made only the minimum payments and took no other credit advances, it would take 20 years and 10 months to pay off a credit advance of \$10,000. During that period, you would make 249 monthly payments of between \$75.00 and \$78.27, and a final payment of \$72.06.

Fees and Charges: An Administration Fee of \$199.00 will be collected from you directly at the time of the closing of the loan and/or deducted from your loan proceeds.

Third Party Fees: You must pay certain fees to third parties to open your HELOC account. These fees generally range between \$230 and \$400. If you ask, we will give you an itemization of the fees you will have to pay third parties in such event.

Negative Amortization: Under some circumstances, your payments may not cover the **FINANCE CHARGES** that are payable (generally if you do not pay at least your Minimum Monthly Payments on a timely basis or take advances between payment due dates or **ANNUAL PERCENTAGE RATE** adjustment dates), such that Negative Amortization will occur. If this occurs, it will increase your unpaid **FINANCE CHARGES** and reduce your equity in your home.

Minimum Draw Requirements: There is no minimum amount required for initial or subsequent advances (draws) under the HELOC during the Draw Period. However, you may not obtain a draw after the termination of the Draw Period.

Tax Deductibility: Interest (**FINANCE CHARGES**) and other charges on your HELOC may be tax deductible. You should consult a professional tax advisor regarding the deductibility of interest (**FINANCE CHARGES**) and other charges under the HELOC.

Variable Rate Features: This HELOC contains provisions for a variable **ANNUAL PERCENTAGE RATE** (interest). The **ANNUAL PERCENTAGE RATE** and the amount and/or number of Minimum Monthly Payments may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs.

How We Determine Changes in Your ANNUAL PERCENTAGE RATE: Your **ANNUAL PERCENTAGE RATE** may increase or decrease during the term of the Agreement based on changes in the Federal Reserve Bank's "Prime Rate," as published in the Western Edition of the Wall Street Journal ("Index"). We calculate the Index using the "Prime Rate" in effect 45 days prior to each Adjustment Date which is the day following your statement Closing Date. In the event that the Federal Reserve Bank ceases publishing the Index, changes in the **ANNUAL PERCENTAGE RATE** will be related to a comparable Index in accordance with the provisions set forth in the Agreement.

To determine the **ANNUAL PERCENTAGE RATE** that will apply to your line, we add a margin or apply a discount to the value of the Index. **The margin* will be determined by your credit score and loan-to-value percentage.**