



## When Your Home is on the Line

**This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.**

**AVAILABILITY OF TERMS:** All of the 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 that you pay 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:** We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) 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 line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

**Minimum Payment Requirements:** You can obtain credit advances for 10 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. 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. You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 300 monthly payments will be used to calculate your payment.

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will be rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases or decreases. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe.

**Minimum Payment Example:** If you made only the minimum monthly payment and took no other credit advances it would take 9 years 9 months to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 3.25%. During that period, you would make 116 payments of \$100.00 and (1) final payment of \$78.10.

**Fees and Charges:** To open and maintain a line of credit, you must pay the following to us:

You also must pay certain fees to third parties to open a line. These fees generally total between \$300 and \$900. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Minimum Draw and Balances Requirements:** The minimum credit advance you can receive is \$250.

**Variable –Rate Information:** The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment can change as a result.

The annual percentage rate includes interest only and no other costs.

The annual percentage rate is based on the value of an index. The index is the monthly average prime rate charged by banks and is published in the Federal Reserve Bulletin. To determine the annual percentage rate that will apply to your line, we may add or subtract a margin to the value of index.

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continued from reverse

**RATE CHANGES:** The annual percentage rate can change each month. The maximum ANNUAL PERCENTAGE RATE that can apply is 13%. Except for this 13% “cap”, there is no limit on the amount by which the rate can change during any one-year period.

**Historical Example:** The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 credit advance would change based on changes in the index over the past 15 years. The index values are from January of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional credit advances are taken, that only the minimum payments were made each month, 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. suspension ceases to exist and reinstating the privileges as soon as reasonably possible.

WALL STREET JOURNAL PRIME RATE INDEX TABLE

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1995 .....	8.500	0.00	8.500	100.00 <sup>(2)</sup>
1996 .....	8.500	0.00	8.500	100.00 <sup>(2)</sup>
1997 .....	8.250	0.00	8.250	100.00 <sup>(2)</sup>
1998 .....	8.500	0.00	8.500	100.00 <sup>(2)</sup>
1999 .....	7.750	0.00	7.750	100.00 <sup>(2)</sup>
2000 .....	8.500	0.00	8.500	100.00 <sup>(2)</sup>
2001 .....	9.000	0.00	9.000	100.00 <sup>(2)</sup>
2002 .....	4.750	0.00	4.750	100.00 <sup>(2)</sup>
2003 .....	4.250	0.00	4.250	100.00 <sup>(2)</sup>
2004 .....	4.000	0.00	4.000	100.00 <sup>(2)</sup>
2005 .....	5.250	0.00	5.250	100.00 <sup>(2)</sup>
2006 .....	7.500	0.00	7.500	100.00 <sup>(2)</sup>
2007 .....	8.250	0.00	8.250	100.00 <sup>(2)</sup>
2008 .....	6.000	0.00	6.000	100.00 <sup>(2)</sup>
2009 .....	3.250	0.00	3.250	

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

(2) This payment reflects the minimum payment of \$100.00.

*I have read and understand the above statements in this disclosure.*

Signature

Date

If you are submitting an application online / via the internet, please sign and return this disclosure to:

Holy Rosary Credit Union  
 c/o Lending Department  
 P.O. Box 2078  
 Rochester, NH 03866-2078

If you are filling out a hard copy of the application, sign this disclosure and bring it along with your application to your nearest branch, or mail both to:

Holy Rosary Credit Union  
 c/o Lending Department  
 P.O. Box 2078  
 Rochester, NH 03866-2078