



1400 North Newman Road
P.O. Box 081040
Racine, Wisconsin 53408



Credit Plan Predisclosure

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End Credit Plan. 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 any of 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 paid to us or anyone else in connection with your application.

Security Interest: We will take lien on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:

Termination and Acceleration

For Wisconsin Borrowers Only:

We can terminate the Home Equity Open-end Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- if the Agreement is for \$25,000 or less, you fail to make a required payment when due two times within a twelve month period; or, if the Agreement is for more than \$25,000, you do not meet the repayment terms of the Agreement, or
- your failure to observe the terms of this Plan materially impairs the condition, value, or protection of, our rights in, the property securing this Plan, or
- your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

Suspension or Reduction

For All Borrowers:

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

- the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- we reasonably believe that 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 of this Plan;
- government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.
- you engage in fraud or material misrepresentation in connection with the Plan.

For Wisconsin Borrowers Only:

- We receive a notice of termination under Wis. Stat. 766.55(2)(b)

Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

Minimum Payment Requirements: You can obtain advances of credit for 10 years (the "draw period"). At the Credit Union's option, this period can be renewed or extended. During the draw period, payments will be due monthly. Your minimum monthly payment will be equal 1.5% of the loan account balance (principal plus interest) or \$50.00, whichever is greater, rounded to the nearest \$1.00.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is 15 years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal 1.5% of the loan account balance (principal plus interest) or \$50.00, whichever is greater, rounded to the nearest \$1.00. Balances of less than \$50.00 must be paid in full.

The minimum monthly payments may not be sufficient to fully repay the principal on your line by the end of the draw and repayment periods. If they are not, you will then be required to pay the entire balance in a single payment.

Balloon Payment: The minimum payment may not reduce the principal that is outstanding on your line by the final payment date. You will then be required to pay the entire balance in a single "balloon" payment. You will also be required to immediately pay the entire balance in a balloon payment if you terminate your Plan. 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 money. If you refinance the balloon, you may have to pay some or all of the closing costs normally associated with a new loan.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 14 years and 11 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.99%. During that period, you would make 120 monthly payments varying between \$151.00 and \$50.00 followed by 58 payments of \$50.00, with a final payment of \$23.42.

Fees and Charges: In order to open and maintain an account, you must pay certain fees and charges. The following fees must be paid to us:

- Late Charges: If your payment is late you will be charged 5% of payment due (after 10 days).
- Return Check Fee: \$15.00 - \$30.00
- Document Copy Fee: \$3.00-\$5.00
- Card Replacement Fee: \$5.00
- NSF Charge: \$30.00
- Letter Report: \$35.00
- Register of Deed: \$60.00
- Flood Verification: \$11.00

Property Insurance: You must carry insurance on the property that secures this Plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

Transaction Requirements: Your initial credit advance must be made in the amount of at least \$1,000. There is no minimum for subsequent advances. You may obtain advances under this Plan by mail, by telephone, by credit/debit card, by checks or in person.

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

Refundability of Fees: If you decide not to enter into this Plan within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

Variable Rate Feature: This plan has a variable rate feature, and the **ANNUAL PERCENTAGE RATE** and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' column of the Wall Street Journal. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness to the value of the index. Ask us for the current index value, margin and **ANNUAL PERCENTAGE RATE**. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The **ANNUAL PERCENTAGE RATE** can change quarterly. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 17.90%. The **ANNUAL PERCENTAGE RATE** will not fall below 3.49% if your LTV ratio is 80% or less or 4.99% if your LTV ratio is 81% to 100%.

Maximum Rate and Payment Example: If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 17.90% would be \$152.00. The maximum annual percentage rate could be reached in the first month.

Prepayment: You may prepay all or any amounts owing under this Plan without penalty.

Historical Example: The following table shows how the percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first Monday in May. If the first Monday is a holiday then the index values are from the first business day following that Monday.

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 payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
1999	7.75	0.99	8.74	\$151.00
2000	9.00	0.99	9.99	\$138.00
2001	7.50	0.99	8.49	\$127.00
2002	4.75	0.99	5.74	\$115.00
2003	4.25	0.99	5.24	\$101.00
2004	4.00	0.99	4.99	\$89.00
2005	5.75	0.99	6.74	\$78.00
2006	7.75	0.99	8.74	\$70.00
2007	8.25	0.99	9.24	\$64.00
2008	5.00	0.99	5.99	\$58.00
2009 (2)	3.25	0.99	4.99 (3)	\$51.00
2010	3.25	0.99	4.99 (3)	\$50.00
2011	3.25	0.99	4.99 (3)	\$50.00
2012	3.25	0.99	4.99 (3)	\$50.00
2013	3.25	0.99	4.99 (3)	\$50.00

1. This is a margin we have used recently; your margin may be different and will be based on your creditworthiness.
2. The repayment period begins in this year.
3. This reflects a lifetime floor of 4.99% for LTVs of 81% to 100%. LTVs of 80% or less will have a floor of 3.49%.