Landmark Credit Union

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

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 a security interest in your home through a Mortgage. 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:

- You fail to make a required payment when due two times within a twelve month period,
- Your failure to observe the terms of this Plan materially impairs the condition, value, or protection of, or our rights in, the property securing this Plan, or
- Upon our receipt of a notice of termination under Wis. Stat. 766.565(5).

For All Other Borrowers: 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:

- You commit fraud or material misrepresentation at any time in connection with this Plan;
- You do not meet the repayment terms of this Plan;
- 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;
- *For Wisconsin Borrowers Only:* you engage in fraud or material misrepresentation in connection with the Plan;

Change in Terms: We may make changes to the terms of the Plan in the following circumstances:

a) If this is a variable rate plan, we may change the index and margin if the original index described becomes unavailable. Any new index will have a historical movement similar to the original and, together with the new margin, will produce a similar interest rate;
b) If you agree to the change in writing;
c) If the change will unequivocally benefit you throughout the remainder of the Plan; or
d) If the change is insignificant (such as changes relating to our data processing system).

Minimum Payment Requirements: You can obtain advances of credit for 10 years (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest. The minimum payment will be rounded to the nearest $0.01. The minimum monthly payment during the draw period will not reduce the principal that is outstanding on your line of credit. Your minimum monthly payment will remain the same unless you obtain another credit advance or if the **ANNUAL PERCENTAGE RATE** increases or decreases. Your payments will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

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 payment will equal an amortized payment of the loan account balance. This balance will be amortized over 180 months. The minimum payment will change whenever the annual percentage rate changes. Your minimum monthly payment will remain the same unless the ANNUAL PERCENTAGE RATE increases or decreases. Your payment will include any amounts past due and all other charges.

Minimum Payment Examples:

If you made only the minimum payment and took no other credit advances, it would take 25 years to pay off a credit advance of $10,000 at an ANNUAL PERCENTAGE RATE of 7.00%. During that period, you would make 120 payments of $59.45 followed by 179 payments of $89.87, with a final payment of $86.74.

Fees and Charges: To open and maintain an account, you must pay the following fees to us:

Late Charges: If a payment is more than 15 days late, you will pay a late charge in an amount equal to the lesser of 5% of the payment due or $10.00.

Returned Check Fee: $15.00

Over-the-Credit Limit Fee: $10.00

Early Termination Fee; Lien: If you voluntarily close this Plan within 24 months of the date you opened the Plan, you will have to pay an Early Termination Fee of $200.00. We may take this fee from your savings or checking account or you may pay this fee in any other manner acceptable to us. **The Early Termination Fee shall be secured by the Mortgage securing this Plan, and Landmark Credit Union's Lien against the Property shall not be satisfied, nor the Mortgage released, until the Early Termination Fee is paid in full.** Additionally, the Early termination Fee will be added to the payoff amount (including the beneficiary's demand) and must be paid prior to the issuance of any reconveyance.

Third Party Fees: To open your account, you must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total between $149.00 - $1,000.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

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.

Access to the Plan: You may obtain advances under your plan by check, by telephone, in person, or online.

Transaction Requirements: There is no minimum requirement for initial advances. Advances by check have a $50 minimum requirement. All other methods to advance have no minimum requirement.

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 and the **ANNUAL PERCENTAGE RATE** and corresponding periodic 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' section of the Wall Street Journal. For primary residences, to determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your credit score and Loan-to-Value ("LTV") Ratio to the value of the index. Second homes will have a margin of 1.25% added to the index.

Ask us for the current index value, margins, and **ANNUAL PERCENTAGE RATES**. 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 daily. There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum

ANNUAL PERCENTAGE RATE that can apply is 20%. The **ANNUAL PERCENTAGE RATE** minimum is 3.99%.

Maximum Rate and Payment Examples:

If you had an outstanding balance of $10,000 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 20% would be $169.86. This **ANNUAL PERCENTAGE RATE** could be reached during the first month.

If you had an outstanding balance of $10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 20% would be $175.51. This **ANNUAL PERCENTAGE RATE** could be reached during the first month.

Prepayment: You may prepay all or any amount owing under this Plan without penalty unless the Early Termination provision applies. Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that we do so.

Historical Example: The following table shows how the annual 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 March. 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] (%)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT ($)
2011	3.25	-0.50	3.99[(2),(3)]	$33.88
2012	3.25	-0.50	3.99[3]	$33.88
2013	3.25	-0.50	3.99[3]	$33.88
2014	3.25	-0.50	3.99[3]	$33.88
2015	3.25	-0.50	3.99[3]	$33.88
2016	3.50	-0.50	3.99[3]	$33.88
2017	3.75	-0.50	3.99[3]	$33.88
2018	4.50	-0.50	4.00	$33.97
2019	5.50	-0.50	5.00	$42.46

2020	4.75	-0.50	4.25	$36.09
2021	3.25	-0.50	3.99[3]	$73.91[4]
2022	3.25	-0.50	3.99[3]	$73.91
2023	7.75	-0.50	7.25	$89.09
2024	8.50	-0.50	8.00	$97.62
2025	7.50	-0.50	7.00	$93.42

1. This is a margin we have used recently; your margin may be different and based on your creditworthiness and LTV Ratio.
2. There may be a discounted rate for a period of 12 months which is shown over a two year period within this historical table.
3. This rate reflects a lifetime minimum rate of 3.99%.
4. The repayment period begins in this year.