

1ST ADVANTAGE FEDERAL CREDIT UNION

PRE-APPLICATION DISCLOSURE

Home Equity Line Of Credit Loan

Important Terms of Our Home Equity Line of Credit Loan (VA)

This disclosure contains important information about our Home Equity Line of Credit Loan. 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 at any time prior to obtaining a Home Equity Line of Credit Loan. If these terms change (other than the annual percentage rate) you may decide not to enter into an agreement with us.

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 credit 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 loan; (2) you do not meet the repayment terms of the loan; 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 credit line declines significantly below its appraised value for purposes of the credit 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 loan agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the loan 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.

Loan Term: The term of this Home Equity Line of Credit Loan is twenty (20) years.

Draw Period: You can obtain credit advances during the first ten (10) years of the loan.

Credit Advance Requirements: You can obtain credit advances during the first ten (10) years of the loan. This period is called the "draw period." At our option, we may

renew or extend the draw period. After the draw period ends you will no longer be able to obtain advances and the final repayment period will begin.

Repayment Requirements: The length of the repayment period will be determined by the stated Final Payment Date (Maturity Date) of the loan and will be a maximum of twenty (20) years from the date of the Credit Line Deed Of Trust securing the Home Equity Credit Agreement (with Addendum). You will be required to make monthly payments during both the draw and repayment periods. The repayment period will always be the time remaining to the final payment date. Your monthly payment will be the amount necessary to repay the balance, plus interest, after an advance, at the current annual percentage rate, within the repayment period.

Your monthly payment will be rounded up to the nearest ten dollars. Your monthly payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases. Each time the annual percentage rate increases, we will review the effect of the increase on your loan balance. We will adjust your monthly payment to repay the balance, plus interest, within the repayment period. Your monthly payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

Minimum Payment Requirements: Your minimum monthly payment will be \$100.00, or the full amount you owe, whichever is greater.

Transaction Requirements: The minimum credit advance you can receive is \$5,000.00 for the first advance and \$500.00 for each subsequent advance.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of \$10,000 at an Annual Percentage Rate of 8.75%. During that period, you would make 180 payments of \$100.00.

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Property Insurance: You must carry insurance on the property that secures this loan.

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

Variable Rate Feature: This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may change as a result. The annual percentage rate includes only interest and no other costs.

The annual percentage rate is based on the value of an index. The index is the Prime Rate published in the Wall Street Journal. When a range of rates has been published, the highest rate is used. We will use the most recent index value available to us as of 5 days before the date of any annual percentage rate adjustment.

Ask us for the current index value and annual percentage rate. After you obtain a loan, rate information will be provided on periodic statements that we will send you.

Rate Changes: The annual percentage rate can change quarterly on the first day of each quarter. There is no limit on the amount by which the annual percentage rate can change during any one period. The maximum **Annual Percentage Rate** that can apply is 18% or the maximum permitted by law, whichever is less. However under no circumstances will your **Annual Percentage Rate** go below % at any time during the term of the loan.

Maximum Rate and Payment Examples: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **Annual Percentage Rate** of 18% would be \$160.00. This annual percentage rate could be reached at the time of the first payment.

Additional Provisions:

Fees and Charges: In order to open, use and maintain a line of credit loan, all legal fees are at your expense.

Check Printing Charge: \$15.00 (Due when checks are ordered) after the initial order. We pay for the initial order.

Third Party Fees: You must pay certain fees to third parties to obtain the loan. These fees generally total between \$50.00 and \$1,000.00.

If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

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 last business day of January of each year. While only one payment per year is shown, payments may have varied during each year.

The table assumes that no additional credit 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 on your payments will change in the future.

Prepayment: You may prepay all or any amount(s) due, at any time, without penalty.

YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE. This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case of Errors or Questions About Your Bill. If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at PO Box 2116, Newport News, VA 23609-0116. Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- * Your name and account number
- * The dollar amount of the suspected error.
- * Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from you savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice. We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

Revised 08/14/08
Please see attached index table on page 3
Index revised 05/10

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Wall Street Journal Prime Rate Index Table

Year (as of the last business day of January)	Index (Percent)	Margin (Percent)	A.P.R Percentage Rate	Monthly Payment (Dollars)
1996	8.500	none	8.500	100.00
1997	8.500	none	8.500	100.00
1998	8.500	none	8.500	100.00
1999	8.500	none	8.500	100.00
2000	8.500	none	8.500	100.00
2001	9.000	none	9.000	100.00
2002	4.750	none	4.750	100.00
2003	4.250	none	4.250	100.00
2004	4.000	none	4.000	100.00
2005	5.250	none	5.250	100.00
2006	7.250	none	7.250	100.00
2007	8.250	none	8.250	100.00
2008	6.500	none	6.500	100.00
2009	3.250	none	3.250	100.00
2010	3.250	none	3.250	100.00

Wall Street Journal Prime Rate Index Table

Year (as of the last business day of January)	Index (Percent)	Margin (Percent)	A.P.R Percentage Rate	Monthly Payment (Dollars)
1996	8.500	1.5	10.000	100.00
1997	8.500	1.5	10.000	100.00
1998	8.500	1.5	10.000	100.00
1999	8.500	1.5	10.000	100.00
2000	8.500	1.5	10.000	100.00
2001	9.000	1.5	10.500	100.00
2002	4.750	1.5	6.250	100.00
2003	4.250	1.5	5.750	100.00
2004	4.000	1.5	5.500	100.00
2005	5.250	1.5	6.750	100.00
2006	7.250	1.5	8.750	100.00
2007	8.250	1.5	9.750	100.00
2008	6.500	1.5	8.000	100.00
2009	3.250	1.5	4.750	100.00
2010	3.250	1.5	4.750	100.00

Acknowledgement of Receipt: The undersigned acknowledges receipt of a copy of this disclosure and the home equity line of credit information brochure "When Your Home Is On the Line."

Date: _____

Borrower: _____

Date: _____

Borrower: _____

