BLACKHAWK COMMUNITY CREDIT UNION

HomEquity

Line-of-Credit 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 a Mortgage 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:

(a) you fail to make a required payment when due two times within a twelve month period; or

(b) 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.

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:

(a) you commit fraud or material misrepresentation at any time in connection with this Plan;

(b) you do not meet the repayment terms of this Plan; or

(c) 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:

(a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;

(b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;

(c) you are in default of a material obligation of this Plan;

(d) 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;

(e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;

(f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached;

(g) *For Wisconsin Borrowers Only:* you engage in fraud or material misrepresentation in connection with the Plan;

(h) *For Wisconsin Borrowers Only:* upon our receipt of a notice of termination under Wis. Stat. 766.565(5).

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 credit advances for 5 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. 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 240 monthly payments will be used to calculate your payment. 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.

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 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 may 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 amount 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 10 years and 10 months to pay off a credit advance of $10,000 at an **ANNUAL PERCENTAGE RATE** of 4.99%. During that period, you would make 129 monthly payments of $100.00, with a final payment of $54.40.

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

Late Charges: If your payment is late more than 15 days, you will be charged 5% of payment due or $10.00, whichever is less.

Flood Zone Determination Fee: $12.00 (due at closing)

Over-the-Credit Limit Fee: We will charge your account $20.00 if you request an advance that would exceed your credit limit.

Non-Sufficient Funds Charge: We will charge you a fee of $20.00 if you pay your account with an insufficient funds check.

You must also pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total $0-500.00. If you ask, 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 this Plan by telephone, in person, or online.

Transaction Requirements: The minimum credit advance that you can receive is $250.00. The minimum initial credit advance must be at least $250.00.

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

Initial Discount Rate: An initial discounted rate may be available under this Plan. Ask us for more information regarding your initial discount.

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.

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Variable Rate Feature: This Plan has a variable rate feature, and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** may 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. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness and Loan-to-Value (LTV) Ratio to the value of the index, and then round to the nearest 0.125%.

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 based on the index value 20 days prior to the change date. If this loan is secured by a first lien real estate mortgage, we must give you 15-days advance written notice of the interest rate increase and any change in your loan payment. You have the right to prepay this loan in full without penalty once you receive such notice, or at any time. 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 during the plan is 18% or the maximum permitted by applicable law. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the Plan is 2.99% if your LTV Ratio is less than 80%, 3.99% if your LTV Ratio is 80.01% to 90%, or 4.99% if your LTV Ratio is 90.01% 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 18% would be $154.33. The maximum annual percentage rate could be reached in the first month following an initial hold of ten days.

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 June. 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)
2007	8.25	0.00	8.25 (2)	$100.00
2008	5.00	0.00	5.00	$100.00
2009	3.25	0.00	4.99 (3)	$100.00
2010	3.25	0.00	4.99 (3)	$100.00
2011	3.25	0.00	4.99 (3)	$100.00
2012	3.25	0.00	4.99 (3)	$100.00
2013	3.25	0.00	4.99 (3)	$100.00
2014	3.25	0.00	4.99 (3)	$100.00
2015	3.25	0.00	4.99 (3)	$100.00
2016	3.50	0.00	4.99 (3)	$100.00
2017	4.00	0.00	4.99 (3)	$100.00
2018	4.75	0.00	4.99 (3)	$100.00
2019	5.50	0.00	5.50	
2020	3.25	0.00	4.99 (3)	
2021	3.25	0.00	4.99 (3)	

1. This is a margin we have used recently; your margin may be different and will be based on your creditworthiness and LTV Ratio.
2. There may be a discounted rate for a period of time within the first year.
3. This rate reflects a lifetime floor of 4.99% for LTVs 90.01% to 100%. LTVs 80.01% to 90% will have a floor of 3.99%. LTVs less than 80% will have a floor of 2.99%.

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