

RICHLAND FEDERAL CREDIT UNION

201 W. Holly Street
SIDNEY, MT 59270

Lender

HOME EQUITY LINE OF CREDIT

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

1. 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 have paid to us or anyone else in connection with your application.

2. 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.

3. POSSIBLE ACTIONS. Under certain circumstances, we can:

- A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
- B. Refuse to make additional extensions of credit; and
- C. Reduce your credit limit.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- A. You engage in fraud or material misrepresentation in connection with the line of credit;
- B. You fail to make a payment as required by the agreement; or
- C. 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:

- A. The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- B. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- C. You are in default of a material obligation of the agreement;
- D. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- F. The maximum annual percentage rate is reached.

4. MINIMUM PAYMENT REQUIREMENTS. You can obtain credit advances for 5 years (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

- \$100.00; or
- 1.50 percent of the principal balance outstanding on the last day of the billing cycle, for the last billing cycle in which an advance was made.

The minimum payment amount will be rounded to the nearest \$.01. Whenever a flat dollar amount is used to determine the minimum payment however, the minimum payment will be rounded to the nearest \$.01. The minimum monthly payments during the draw period may not reduce the principal that is outstanding on your line of credit.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your line of credit (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 the following:

- 1.50 percent of the loan account balance on the last day of the billing cycle, for the last billing cycle in which an advance was made. The minimum payment amount will be rounded to the nearest \$.01. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit by the end of the repayment period. If they are not, you will then be required to pay the entire balance in a single payment.

5. MINIMUM PAYMENT EXAMPLE. If you made only the minimum monthly payment and took no other credit advances, it would take 7 years and 3 months to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.500%. During that period, you would make 60 payments of \$150.00 followed by 26 payments of \$150.00, with a final payment of \$76.43.

6. FEES AND CHARGES. You must pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$943.00. The following are an estimate of third party fees:

- Appraisal: \$450.00
- Official: \$35.00
- Title Insurance: \$445.00
- Flood Determination: \$13.00

You must carry insurance on the property that secures the line of credit.

7. REFUNDABILITY OF FEES. If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. MINIMUM DRAW REQUIREMENTS. The minimum credit advance that you can receive is \$1,000.00. The minimum initial credit advance must be at least \$1,000.00.

9. TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

10. VARIABLE RATE FEATURES. This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result. The annual percentage rate includes only interest and not other costs. The annual percentage rate is based on the value of an index. The index is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index and then round to the nearest .25 percent. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

11. RATE CHANGES. The annual percentage rate can change semiannually after remaining fixed for 1 day. There is no limit on the amount by which the rate can change in anyone year period. The maximum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 15.000 percent. The minimum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 7.500 percent.

12. MAXIMUM RATE AND PAYMENT EXAMPLES. If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 15.000 percent would be \$150.00. The maximum annual percentage rate during the draw period, could be reached in the 1st month (1 month) following an initial hold of 1 day.

If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 15.000 percent would be \$150.00. The maximum annual percentage rate during the repayment period, could be reached in the 7th month (7 months).

13. HISTORICAL EXAMPLES. The following table shows how the annual percentage rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the last 15 years. The index values are from the first business day of March. The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)	Margin- (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
1995	9.000	0.500	9.500	150.00
1996	8.250	0.500	8.750	150.00
1997	8.250	0.500	8.750	150.00
1998	8.500	0.500	9.000	150.00
1999	7.750	0.500	8.250	150.00
2000 (0)	8.750	0.500	9.250	150.00
2001	8.500	0.500	9.000	150.00
2002	4.750	0.500	7.500 (K)	150.00
2003	4.250	0.500	7.500 (K)	N/A
2004	4.000	0.500	7.500 (K)	N/A
2005	5.500	0.500	7.500 (K)	N/A
2006	7.500	0.500	8.000	N/A
2007	8.250	0.500	8.750	N/A
2008	6.000	0.500	7.500 (K)	N/A
2009	3.250	0.500	7.500 (K)	N/A

- This is a margin we have used recently; your margin may be different.

(K) This reflects a lifetime floor of 7.500 percent.

(0) The repayment period begins in this year.

This is not a commitment to make a loan.

HOME EQUITY LOAN APPLICATION

PLEASE TYPE OR PRINT

IMPORTANT APPLICANT INFORMATION: Federal law requires financial institutions to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

TYPE OF ACCOUNT REQUESTED

Check one to indicate the type of account you are requesting. Note: Married applicants may apply for separate accounts.

- Joint Account - We intend to apply for joint credit. (initials) _____
- Individual Account - Relying solely on my income and assets.
- Individual Account - Relying on my income and assets as well as income or assets of another.

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the federal government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. You may select one or more designations for "Race." The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it. However, if you choose not to furnish the information and you have made this application in person, under federal regulations the lender is required to note ethnicity, race, and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check below.

BORROWER <input type="checkbox"/> I do not wish to furnish this information.	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information.
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

TERMS REQUESTED

Amount \$	Length of Account Term	Periodic Payment Date	Purpose
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COLLATERAL PROPERTY

Address	Year Built	Date Purchased	Present Value	Balance Owning
Title in Name(s) of:		Address of Title Holder		Name and Address of Mortgage Holder
				Phone No. Acct. No.

INDIVIDUAL APPLICANT INFORMATION

Name		Birthdate	Social Security No.	
Address		County	Drivers License No.	
Home Phone	Business Phone		Number of Dependents	Ages of Dependents
Employer/Self Employed	Position	Years Employed	Employer's Address	
Previous Employer	Position	Years Employed	Previous Employer's Address	
Name and Address of Applicant's Nearest Relative				Relationship
Wages, Salary, Commissions			How Often Paid	
Gross \$	/month	Net \$	/month	
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered. Alimony, child support, separate maintenance received pursuant to: <input type="checkbox"/> Court Order <input type="checkbox"/> Written Agreement <input type="checkbox"/> Oral Understanding.				
Other Income: Source		Amount/Month		
Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced and widowed)				

JOINT APPLICANT OR OTHER PARTY INFORMATION

Provide the information in this section if joint credit, or the individual applicant is relying on the income of others as a basis for repayment, or the individual applicant lives in a community property state or is relying on property located in a community property state as a basis for repayment of the credit requested.

Name		Birthdate	Social Security No.	
Address		County	Drivers License No.	
Home Phone	Business Phone		Number of Dependents	Ages of Dependents
Employer/Self Employed	Position	Years Employed	Employer's Address	
Previous Employer	Position	Years Employed	Previous Employer's Address	
Name and Address of Joint Applicant's or Other Party's Nearest Relative				Relationship
Wages, Salary, Commissions			How Often Paid	
Gross \$	/month	Net \$	/month	
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered. Alimony, child support, separate maintenance received pursuant to: <input type="checkbox"/> Court Order <input type="checkbox"/> Written Agreement <input type="checkbox"/> Oral Understanding.				
Other Income: Source		Amount/Month		
Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced and widowed)				

