

Important Terms for the
“Equity My Way”
Home Equity
Line of Credit
(March 2017)



Federally Insured by NCUA.



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Important Terms of Our Home Equity Line of Credit (secured by your home)

This disclosure contains important information about Golden 1 Credit Union's Equity My WaySM Line of Credit. You should read it carefully and keep a copy for your records.

Availability of Terms: All the terms described below are subject to change. If these terms change, other than the annual percentage rate (APR) due to fluctuations in the index, and you decide, as a result, not to enter into an Agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

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 line of credit, require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with the line of credit.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line of credit declines significantly below the appraised value for purposes of the line of credit.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of any material provision of this Agreement. Credit union membership is a material provision of the Agreement.
- We are precluded by government action from imposing the APR provided under this Agreement.

- The value 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 limit.
- A regulatory agency has notified us that continued advances would be an unsafe and unsound practice.
- The maximum APR allowed under the plan has been reached.

The initial Line of Credit Agreement permits us to make certain changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

Notice of Right to Copy of Appraisal

You have a right under the law to receive a copy of any appraisal, evaluation or assessment report prepared in connection with your application for a loan or line of credit to be secured by real property. We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost. Please note that any appraisal, evaluation or assessment obtained is to assist Golden 1 in determining whether or not to extend credit to you under the terms you have requested. The valuation should not be relied upon by you or anyone else to determine the value of the property.

If you want a copy of the property valuation, we must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application. Please write us at the following address:

Golden 1 Credit Union
Attn: Real Estate
P.O.Box 15966
Sacramento, CA 95852-0966

Include in your letter: your name, the property address and your loan number, if known. Under certain circumstances, you may be required to reimburse us for the cost of the valuation as a condition of receiving the copy.

Equity My Way Line of Credit

Term. You can obtain advances of credit for 14 years and 11 months (the “draw period”). After the draw period ends, you must repay the remaining balance within fifteen (15) years (the “repayment” period). Minimum monthly payments will be required. Additional draws are not permitted during the repayment period.

Fixed-Rate Loan Conversion. In addition to having the flexibility of a line of credit, you will be able to convert outstanding balances of your line of credit to a fixed payment, rate and term. This option will allow you to have up to five fixed-rate loan conversions at any one time. Fixed-rate loan conversions can only be requested during the draw period for the line of credit. Term options will be from one to twenty years, as long as it does not exceed the original term.

Total Minimum Payment Requirements. The total amount due each month will consist of any fixed-rate loan conversion payment(s) and line of credit monthly minimum payments, as well as any past due amounts and other charges due.

Minimum Line of Credit Payment Requirements—Draw Period. During the draw period, payments will be due monthly. Your minimum monthly payment will be determined by the following method (for the line of credit only):

Interest Only Payment. The minimum payment will equal the Finance Charges that accrued on the outstanding balance during the prior billing cycle plus any late charges, and any past due or over-limit amount.

For example, if you owe \$10,000 at a rate of 4.25% and no other amounts are past due or over-limit, your monthly payment would equal \$35.42.

Minimum Fixed-Rate Loan Conversion Payment Example—Draw or Repayment Period. The minimum monthly payment for each fixed-rate loan conversion will be equal to the amount of principal plus the finance charge sufficient to repay the balance within the term selected at the time of the conversion. If you had an outstanding balance of \$10,000 at a rate of 5.99% for a term

of 180 months (15 years) and no other amounts were past due, your fixed monthly payment would equal \$84.33.

Additional Payment Information. You may make payments on your account at any time, and you may prepay all or any portion of the amounts that you may owe at any time without penalty as long as the account remains open for the first three years. You must pay the minimum payment each billing cycle regardless of any prepayments, as long as any balance exists.

Payments apply initially to the revolving balance first with the following payment disbursement.

1. Unpaid interest (Purchases and Cash)
2. Billed late charges
3. Billed over limit charges
4. Debt protection fee
5. Cash item fees (cash advance fees, balance transfer fees in the order they were posted to your account)
6. Any remaining payments goes toward revolving MPD (Minimum Payment Due)
 - a. Cash Principal balance first
 - b. Purchase principal balance second
7. Any remaining MPD Fixed (if applicable)

If two or more transactions were posted on the same day, your payment will be applied to the oldest first.

Minimum Line of Credit Payment Example—Repayment Period. During the repayment period, your minimum monthly payments will be 1.25% of the unpaid balance with a minimum payment of \$100. Under this payment plan, the minimum payment may not fully repay the principal that is outstanding on your line of credit if subsequent credit advances are taken during the draw period. You will then be required to pay the entire remaining loan balance in a single “balloon” payment at the end of the repayment period.

Balance-Reduction Plan Minimum Payment Example. If you made only the minimum payments and took no other credit advances, it would take twenty-five (25) years and two (2)

months to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 4.25%. During that period, you would make 324 payments ranging from \$35.42 to \$125.00 and a final monthly payment of \$43.11.

Maximum Line of Credit Payment and Rate

Example. The maximum payment and rate examples shown below are for both owner and non-owner lines of credit on the balance-reduction plan.

Owner Occupied. If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be about \$150.00 for 359 months with a final balloon payment of \$19,011.58.

Non-Owner Occupied. If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 19% would be about \$158.30 for 359 months with a final balloon payment of \$22,005.27.

Line of Credit Fees and Charges. There is currently no annual fee for your participation in the credit plan under this Agreement. There are no other fees to open, use, or maintain this account except for third-party fees, such as property insurance, as required under your Agreement. You must carry insurance on the property that secures this plan.

Other Provisions for the Equity My Way Line of Credit.

Hazard Insurance. Hazard insurance coverage against risks to the property secured by these plans will be required in an amount not to exceed the replacement value of the improvements on the property.

Minimum Draw Requirements. There is no minimum draw requirement.

Late Charges. Late charges are 6% of the current payment or \$10, whichever is greater.

Early Closure Fee. An early closure fee will be assessed if the line of credit is paid in full and closed within three (3) years from the date

of opening, in the amount of \$500.00 for non-owner occupied properties and \$500.00 or 2% of the original balance, whichever is less, for owner occupied properties.

Grace Period. The Equity My WaySM Line of Credit does not have a grace period. These payment amounts are based on assumptions that payments are received on the first day of the payment billing cycle.

Negative Amortization. Under some circumstances, your payments will not cover the finance charges that accrue, and “negative amortization” will occur. Negative amortization will increase the amount that you owe and reduce the equity in your home.

Tax Deductibility. You should consult your tax advisor regarding the deductibility of interest and charges for the line of credit. Golden 1 does not provide tax advice.

Other Provisions. If you ask, we will provide you with information on our other available home equity products. You authorize Golden 1 Credit Union to obtain a credit report in conjunction with this loan application and consent to the reuse of information contained in this credit report to offer other Golden 1 products and services.

Variable Rate Features. The Equity My WaySM Line of Credit has a variable rate feature; the APR (corresponding to the periodic rate) and the minimum monthly payment can change as a result. An increase in the rate may cause more payments to be necessary.

The APR includes only interest and no other costs and is based on the value of an index plus a margin. During the draw period and the repayment period, the index is the U.S. prime rate of interest as published on the last business day of each month in the Money Rates column of *The Wall Street Journal*. The margin will range from 0.75% to 3.25% and will be determined based on the available equity in your home, occupancy status, lien position and credit worthiness.

Ask us for the current index value, APR, margin and discount. After you open a credit line, rate information will be provided on periodic statements we send you.

Rate Changes. The APR can change monthly. 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 for an Equity My WaySM owner-occupied line of credit is 18% and non-owner occupied line of credit is 19%.

The minimum ANNUAL PERCENTAGE RATE that can apply to an Equity My WaySM owner-occupied line of credit is 4.25% as of 06/28/2016. The minimum rate for a non-owner occupied line of credit is 5.75% as of 06/28/2016.

Fixed-Rate Features. If you choose to convert any portion of your balance to a fixed rate using the fixed rate conversion option, you will incur a finance charge. Finance charges will begin to accrue the next business day following the request. The interest rate for such products is based on the Index (described above) plus a margin; however, lower rates may be offered from time to time. Exercise of the fixed-rate conversion option may increase or decrease your rate. Ask for our current interest rates before exercising the fixed-rate conversion option. If you have multiple fixed-rate conversions, the finance charge for each conversion may be different depending on when you request the conversion.

Loan Servicing Fees. Reconveyance and demand fees will be charged at our current rate when the line of credit is paid in full and closed.

Historical Example

The following table shows how the APR and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the indices over the past fifteen (15) years. The index values selected were effective July 1 of each year. While only one payment amount per year is shown, payments could have varied during each year.

The table assumes no additional credit advances were taken, that only the minimum payments were made and that the rate remained constant through the year. It does not necessarily indicate how the index or your payments will change in the future.

Equity My WaySM Line of Credit Example:

APR based on an owner-occupied line of credit

Year	Index	Margin*	ANNUAL PERCENTAGE RATE	Monthly Payment interest only
Draw Period:				
2002	4.75%	0.75%	5.500%	\$45.80
2003	4.00%	0.75%	4.750%	\$39.60
2004	4.00%	0.75%	4.750%	\$39.60
2005	6.00%	0.75%	6.750%	\$56.30
2006	8.25%	0.75%	9.000%	\$75.00
2007	5.00%	0.75%	5.750%	\$47.90
2008	3.25%	0.75%	4.000%	\$33.30
2009	3.25%	0.75%	4.000%	\$33.30
2010	3.25%	0.75%	4.000%	\$33.30
2011	3.25%	0.75%	4.000%	\$33.30
2012	3.25%	0.75%	4.000%	\$33.30
2013	3.25%	0.75%	4.000%	\$33.30
2014	3.25%	0.75%	4.000%	\$33.30
2015	3.25%	0.75%	4.000%	\$83.33*
2016	3.50%	0.75%	4.250%	\$88.54*

* The margin in this table is an example and may not be the margin on your line of credit. The minimum loan amount on a stand-alone equity line or loan is \$25,000 which is what the minimum payment is reflective of.

Contacting You. In order to contact you more efficiently, Golden 1 may from time to time use autodialed or prerecorded message calls or text messages at the telephone numbers you provided in this agreement, including telephone numbers that could result in charges to you. We may place such calls or texts to (1) provide notices regarding your account or loan, (2) investigate or prevent fraud, or (3) collect, or inquire about, the status of a debt owed to us. You agree that we and our service providers may contact you using autodialed or prerecorded message calls and text messages to carry out the purposes we have identified above. We may share your phone number(s) with service providers with whom we contract to assist in pursuing these interests, but will not share your phone number(s) with third parties for their own purposes without your consent. In the future, if you contact Golden 1's on a cell phone number that was not provided during your application, you agree that Golden 1 may attempt to contact you via this new number using an auto-dialer.

Your Choices. You do not have to consent to receive autodialed or prerecorded message calls or texts in order to obtain an account or loan with Golden 1. You may revoke your consent at any time and by mailing a letter of revocation addressed to **Golden 1 Credit Union**, Attn: Member Care, P.O. Box 15966, Sacramento, CA 95852-0966.

Glossary

Annual membership or participation fee: An annual charge for access to a financial product such as a line credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

Annual Percentage Rate (APR): The cost of credit on a yearly basis. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreements.

Application fee: Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.

Balloon payment: A large extra payment that may be charged at the end of a mortgage loan or lease.

Closing costs: Fees paid when you close (or settle) on a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees, fees for preparing deeds, mortgages, or settlement documents; attorneys' fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within 3 days of application. The good faith estimate lists each expected cost as an amount or a range.

Credit Limit: The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.

Equity: The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.

Index: The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index can increase or decrease at any time.

Interest rate: The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual percentage rate.

Interest-rate cap: A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. Periodic adjustment caps limit the interest-rate increase from one adjustment period to the next. Lifetime caps limit the interest-rate increase over the life of the loan. By law all adjustable-rate mortgages have an overall cap.

Margin: The number of percentage points the lender adds to the index rate to calculate the ARM interest at each adjustment.

Minimum payment: The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.

Points: A point is equal to 1 percent of the principal amount of your mortgage loan. For example, if a mortgage is \$200,000, one point equals \$2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.

Security interest: If stated in your credit agreement, a creditor's, lessor's, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under that credit agreement.

Transaction fee: A fee charged each time a withdrawal or specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.

Variable rate: An interest rate that changes periodically in relation to an index, such as prime rate. Payments may increase or decrease accordingly.

Where to Go for Help

For additional information or to file a complaint about a bank, savings and loan, credit union, or other financial institution, contact one of the following federal agencies, depending on the type of the institution.

Regulatory Agency	Regulated Entity(ies)
Federal Reserve Consumer Help P.O. Box 1200 Minneapolis, MN 55480 (888) 851-1920 www.federalreserveconsumerhelp.gov	Federally insured state-chartered bank members of The Federal Reserve System
Consumer Financial Protection Bureau (CFPB) P.O. Box 4503 Iowa City, IA 52244 (855) 411-2372 www.consumerfinance.gov	Insured depository institutions and credit unions (and their affiliates) with assets > than \$10 billion, and nondepository institutions such as mortgage originators, mortgage brokers and servicers, larger participants of other financial services products, private education loan providers, and payday lenders.
Office of the Comptroller of the Currency (COC) Customer Assistance Unit 1301 McKinney Street, Suite 3450 Houston, TX 77010 (800) 613-6743 www.occ.treas.gov www.helpwithmybank.gov	National banks and federally chartered savings banks/associations
Federal Deposit Insurance Corporation (FDIC) Consumer Response Center 1100 Walnut Street, Box 11 Kansas City, MO 64106 (877) ASK-FDIC or (877) 275-3342 www.fdic.gov	Federally insured state-chartered banks that are not members of the Federal Reserve System

www.fdic.gov/consumers

Federal Housing Finance Agency
(FHFA) Consumer Communications
Constitution Center
400 7th Street S.W.
Washington, D.C. 20024
(202) 649-3811
www.fhfa.gov
www.fhfa.gov/Default.aspx?Page=369

Fannie Mac,
Freddie Mac
and the Federal
Home Loan Banks

National Credit Union Administration
(NCUA) Consumer Assistance
1775 Duke Street
Alexandria, VA 22314-3428
(800) 755-1030
www.ncua.gov
www.mycreditunion.gov

Federally chartered
credit unions

Federal Trade Commission (FTC)
Consumer Response Center
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
(877) FTC-HELP or (877) 382-4357
www.ftc.gov
www.ftc.gov/help

Finance companies,
retail stores, auto
dealers, mortgage
companies and other
lenders, and credit
bureaus

Securities and Exchange
Commission (SEC)
Complaint Center
100 F. Street, N.E.
Washington, D.C. 20549-0213
(202) 551-6551
www.sec.gov
www.sec.gov/complaint/question.shtml

Brokerage firms,
mutual fund
companies, and
investment advisers

Farm Credit Administration
Office of Congressional &
Public Affairs
1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4056
www.fca.gov

Agricultural lenders

Small Business Association (SBA)
Consumer Affairs
409 3rd Street, S.W.
Washington, D.C. 20416

Small business
lenders

(800)U-ASK-SBA or (800) 827-5722

www.sba.gov

Commodity Futures Trading
Commission (CFTC)

1155 21st Street, N.W.

Washington, D.C. 20581

(866) 366-2382

www.cftc.gov/ConsumerProtection

Commodity brokers,
commodity trading
advisers, commodity
pools, and introducing
brokers

U. S. Department of Justice (DOJ)

Criminal Division

950 Pennsylvania Avenue, N.W.

Washington, D.C. 20530

(202) 514-3301

www.justice.gov/criminal

Fair lending and fair
housing issues

Department of Housing and
Urban Development (HUD)

Office of Fair Housing/Equal Opportunity

451 7th Street, S.W.

Washington, D.C. 20410

(800) 669-9777

www.hud.gov/complaints

Fair ending and fair
housing issues

More Resources

For more resources on mortgage and other financial topics,
visit www.federalreserve.gov/consumerinfo



Operations Center

P.O. Box 15966

Sacramento, CA 95852-0966

1-877-GOLDEN 1 (1-877-465-3361)

golden1.com