

Missouri Electric Cooperatives Employees' Credit Union

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Lender

HOME EQUITY

This disclosure contains important information about our Home Equity. 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 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 fail to make a payment as required by the agreement; or
- B. 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; or
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.

4. MINIMUM PAYMENT REQUIREMENTS. You can obtain credit advances for 60 months (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the following:

* An amortized payment of the loan account balance on the last day of the billing cycle, for the last billing cycle in which an advance was made. This balance will be amortized over the term corresponding to the range in which it falls as reflected in this range of balances table.

If my balance is:	Amortization Period is:
\$0.01 - 10,000.00	60 months
\$10,000.01 - 25,000.00	180 months
\$25,000.01 - 50,000.00	240 months
\$50,000.01 - 200,000.00	360 months
\$200,000.01 - 400,000.00	360 months

The minimum payment will change each time you make an advance. The minimum payment amount 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 300 months. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the following:

* An amortized payment of the loan account balance on the last day of the draw period. This balance will be amortized over 300 months.

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.

Balances of less than \$50.00 must be paid in full.

5. MINIMUM PAYMENT EXAMPLE. If you made only the minimum monthly payment and took no other credit advances, it would take 5 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 3.500%. During that period, you would make 60 payments of \$181.92.

3.500% is an example of an ANNUAL PERCENTAGE RATE we have offered recently. The annual percentage rate includes only interest and not other costs.

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 \$205.00 to \$605.00. The following are an estimate of third party fees:

- * Appraisal: \$400.00
- * Title search: \$150.00
- * Recording Fees: \$42.00
- * Flood Determination: \$16.00

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 \$500.00. The minimum initial credit advance must be at least \$2,500.00.

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

This is not a commitment to make a loan.