

HOME EQUITY
LOAN PROGRAM (HELP)
("Account") DISCLOSURE

**NORTHWOOD
CREDIT UNION**
30606 North Woodward
Royal Oak, Michigan 48073
("we"/"us"/"our")

"you" and "your" means the recipient of this disclosure. "e" means an estimate. "n/a" means not applicable.

FACTS ABOUT OUR HOME EQUITY LOAN

This disclosure contains important information about our home equity line of credit (Account). 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 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 you paid to us or anyone else in connection with your application.

Security Interest. We will acquire a security interest in your home (collateral). You could lose your home if you do not meet the obligations in your agreement with us.

Possible Action. We can terminate your line and require you to pay us the entire balance in one payment, if: you engage in fraud or material misrepresentation in connection with the line; or, you do not meet the repayment terms; and/or, your action or inaction adversely affects the collateral and/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 declines significantly below its appraised value for purposes of the line; or, you are in default of a material obligation in the agreement; or, government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line; or, a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; and/or the maximum annual percentage rate is reached or exceeded. The initial agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements. You can obtain advances of credit for ten (10) years ("Draw Period"). Your payment will be due monthly and will be equal to the greater of 1.00% of the outstanding balance at the end of each billing cycle or \$30.00, unless your balance is less than the latter amount, in which case your minimum monthly payment will be the balance. After the Draw Period ends and unless your Account is renewed pursuant to our terms in effect at that time, you will no longer be able to obtain credit advances and must repay the outstanding balance over ten years (the "Repayment Period"). During the Repayment Period, payment will be due monthly. Your minimum periodic payment during the Repayment Period will be calculated in the same way as it was during the Repayment Period will be calculated in the same way as it was during the Draw Period.

Balloon Payment. The minimum payment may not fully repay the principal that is outstanding on your account. At the end of your Repayment Period, you will be required to pay the entire unpaid balance, plus accrued and unpaid interest in a single balloon payment.

Minimum Payment Example. If you made only the minimum monthly payments and took no other credit advances, it would take 20 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.500%. During the Draw Period, you would make 120 monthly payments varying between \$100.54 and \$57.83. During the Repayment Period you would make 119 payments varying between \$57.56 and \$33.26. This would be followed by one final payment of \$3310.33.

Negative Amortization. Under some circumstances, your payments will not cover the finance charge that accrues and "negative amortization" will occur. Negative amortization will increase the amount that you owe and reduce the equity in your home.

Fees and Charges. There are no fees or charges to open or maintain your account.

Prepayment Penalty. If the account is closed during the first 36 months after you enter into an equity line agreement with us, you will be charged a pre-payment penalty fee of \$350.00.

Property and Flood Hazard Insurance. You must carry insurance on the property that secures this plan. Under some circumstances, if your property is located in a flood hazard zone and you live in a participating community, you may be required to obtain flood hazard insurance to cover the property.

Minimum Transaction Requirements. Your account is not subject to any minimum balance requirement. There are no other minimum transaction requirements.

Tax Deductibility. You should consult a tax advisor regarding the deductibility of interest and charges on your Account.

Variable-Rate Feature. The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and the number of payments of the same amount can 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, and will change:

If you have an In-House Home equity Loan your rate will change on the first day of the next month after the Prime rate is published.

If you have a Home Equity Platinum Visa Card, your rate will change on the first day of the next billing cycle.

The index is in the Wall Street Journal published Prime Rate (if published in a range, the highest number in the range will be used). Information on this index is published in the Wall Street Journal. To determine the annual percentage rate that will apply to your line, we use the current Index Value. Ask us for the current index value and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes. The annual percentage rate can change monthly. The maximum ANNUAL PERCENTAGE RATE that can apply is 21.00%. Except for the initial discount rate described below, the minimum interest rate that can apply is 6.50%. Apart from this rate "cap" and "floor", there is no limit on the amount by which the rate can change during any one-year period.

The fixed introductory rate of 3.99% Annual Percentage Rate through the first 3 months. Beginning on the 366th day based on the prime rate the variable Annual Percentage Rate for the line is as low as 6.5% APR and as high as 21% APR.

Maximum Rate and Payment Example. If the ANNUAL PERCENTAGE RATE during the Draw Period equaled the 21.000% maximum and you had an outstanding balance of \$10,000.00, your minimum payment would be \$101.75. The maximum interest rate can be reached the first time your interest rate changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately.

Historical Example. The following tables show how the annual percentage rate and the minimum monthly payments for a starting balance of \$10,000 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. This table does not necessarily indicate how the index will change in the future.

YEAR	INDEX (%)	MARGIN* (%)	ANNUAL PERCENTAGE RATE (%)	MINIMUM PERIODIC PAYMENTS (\$)
1993	6.000	0.000	6.500**	86.34
1994	6.000	0.000	6.500**	81.66
1995	8.500	0.000	8.500**	77.36
1996	8.500	0.000	8.500**	74.63
1997	8.250	0.000	8.250**	71.98
1998	8.500	0.000	8.500**	69.28
1999	7.750	0.000	7.750**	66.80
2000	8.500	0.000	8.500**	64.00
2001	9.000	0.000	9.000**	61.77
2002	4.750	0.000	6.500**	59.77
2003	4.250	0.000	6.500**	58.45
2004	4.000	0.000	6.500**	57.36
2005	5.250	0.000	6.500**	54.25
2006	7.500	0.000	7.500**	55.73
2007	8.250	0.000	8.250**	53.26

*This is a margin we have used recently.

**This rate reflects the minimum interest rate that can apply to your account.

I (We) acknowledge receipt of the "Facts about our Home Equity Loan" Disclosure, and the Booklet entitled "When Your Home is On the Line: What you should know About Home Equity Lines of Credit".

Date

Date