



8499 Tamarack Road
 Woodbury, MN 55125-9201
 651 770-7000 • 800 247-0857
 www.idealcu.com

**OPEN END HOME EQUITY VARIABLE RATE
 REVOLVING CREDIT AGREEMENT
 AND DISCLOSURE STATEMENT**

Borrower(s)	Credit Limit	Account Number	Date
Address	DPR	APR	
Property Address	Maturity Date	Margin	

This document is an **Open End Home Equity Revolving Credit Agreement**. It is a binding contract covering all of the transactions on your Equity Revolving Credit Plan. **PLEASE READ ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT BEFORE SIGNING IT.**

This **Open End Home Equity Revolving Credit Agreement** is secured by a Mortgage (the "Mortgage") on borrower(s) property located at the following address: _____ . Borrower(s) has signed a separate Mortgage which describes fully the Mortgaged property. Borrower(s) agrees that all the terms in the Mortgage are made a part of this Agreement as though they were fully stated in this Agreement.

- Definitions:** (a) In this Agreement, the words "you" and "your" mean each of the persons who sign below as borrowers; or "we", "us" and "our" mean this Credit Union, or our successors or assigns; (b) "Borrower" means each and every individual signing this Note. "Creditor" means this credit union, or its successors and assigns.
- Revolving Credit:** Upon borrower(s) signing this Open End Home Equity Revolving Credit Agreement, the Credit Union will establish a Revolving Credit Account for said borrower(s), which will allow borrower(s) to obtain one or more advances of funds, from time to time, up to the Credit Limit established for said borrower(s). The total amount of credit available to borrower(s) at any time is referred to as the "Revolving Credit". Each advance of funds under this Note is referred to as an "Advance", and will relate back to this original Note. Each principal payment you make to your Account will restore your credit limit by the amount of the payment, unless you are over your credit limit. If you are over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.
- Credit Limit:** The amount of the Revolving Credit being established by this Note is _____. Each Advance will reduce the balance available on borrower(s) Revolving Credit and each principal payment will increase the balance available. After borrower(s) receives the first Advance, this Credit Union, our successors or assigns, will, at our discretion, make additional Advances to borrower(s) providing that (a) all the information supplied by borrower(s) at the time said borrower(s) submitted the original Residential Loan Application is still true; (b) borrower(s) are not in default under this Agreement or under the Mortgage executed to secure this Agreement; (c) the additional Advance combined with the balance still due on any other amount given to borrower(s) under this Agreement will not exceed the Credit Limit established above; and (d) borrower(s) request for an Advance is made on or before _____.
- Prohibition Against Internet Gambling:** The Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") prohibits any person, including a business, engaged in the business of betting or wagering from knowingly accepting payments in connection with the participation of another person in unlawful Internet gambling. Such transactions are termed "restricted transactions." UIGEA requires the Secretary of the Treasury and the Board of Governors of the Federal Reserve System (collectively, the "Agencies"), in consultation with the U.S. Department of Justice, to designate payment systems that could be used in connection with or to facilitate restricted transactions. Such a designation makes the payment system, and financial transaction providers participating in the system, subject to the requirements of the rule.
- Responsibility:** You agree to pay all charges (purchases and cash advances) to your Account that are made by you or anyone whom you authorize to use your Account. You agree not to authorize anyone to use your Account without the prior written consent of the Credit Union. You also agree to pay all finance charges and other charges added to your Account under the terms of this Agreement or another agreement you made with the Credit Union.
- Security Interest:** As a condition of us granting you credit under this agreement you hereby agree to grant us a security interest in the Property Address identified above.
- Loan Purpose:** Borrower(s) may obtain an Advance for any legal purpose except: (a) gambling or engaging in Internet gambling or fraud, engaging in illegal activities or (b) making any payment borrower(s) is required to make under this Agreement.
- Loan Requests:** Your initial minimum credit advance may be in any amount equal to or exceeding \$1,000.00, however, your advance may not exceed your maximum credit limit. Borrowers may request advances in any amount not exceeding their credit limit. Requests for additional Advances must be made or you may be authorized by the Credit Union to access the loan by other means. Advances may be obtained under this Plan by a loan check issued from this Credit Union to you, or by you appearing in person at the Credit Union, or through a home banking transfer, if allowed by the Credit Union. We do not accept credit advance requests by either telephone or U.S. Mail, unless the request is for an advance to be deposited into the Borrower's deposit account.
- Using the Revolving Credit Plan:** When borrower(s) request an additional Advance, the Credit Union may check all information given to us from said borrower(s) or obtained by creditor when borrower(s) applied for this Revolving Credit. If there has been any material change in this information which creditor, in its sole discretion, believes will affect the ability of borrower(s) to repay the amount now due and owing or will be due and owing for repayment of the additional Advance, said Credit Union has the right to refuse to make the requested Advance.
- "Draw Period" and "Loan Term":** You may obtain advances of credit for 10 years (the "draw period"), unless otherwise prohibited under Section 3 above and Section 25 below, concerning Possible Actions. After that, except in the event of an extension of the draw period by the Credit Union, your loan converts into the repayment period during which you will no longer be permitted to obtain advances. 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 and will not extend past a 25 year term from the date of closing. You will be required to make monthly payments during both the draw and repayment periods.
- Repayment Of Loans:** By signing this Agreement, borrower(s) promise to pay said Credit Union, in monthly installments, all sums borrowed under this Note, as well as all Future Advances, plus **FINANCE CHARGES**. **FINANCE CHARGES** are the same as interest and start to

accrue on each Advance on the date it is made.

12. **Variable Interest Rate:** This Home Equity Revolving Credit Agreement has a variable interest rate feature and the **ANNUAL PERCENTAGE RATE** (corresponding to the periodic rate) may change.
13. **Variable-Rate Feature:** This Home Equity Revolving Agreement 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 is based on the value of an Index. The Index is the highest Prime Rate of Interest published daily in the Wall Street Journal's listing of "Money Rates" (the "Index"). We will use the most recent Index value available to us. Your interest rate will be determined as of the fifth day of the month before the date of any monthly interest rate adjustment. If the Wall Street Journal ceases to publish the Index, we will choose a substitute Index that is based upon comparable information and, if necessary, a substitute margin, so that the change in the Index results in substantially the same rate as required under the previous Index.

To determine the annual percentage rate that will apply to your revolving credit, we adjust the Index figure by adding a margin to the Index as disclosed to you above. The annual percentage rate includes only interest and not other costs.

14. **Rate Changes:** The annual percentage rate can change on the first day of each monthly billing cycle during the term of this Plan. The maximum **Annual Percentage Rate** that can apply is 12%. Apart from this rate "cap," there is no limit on the amount by which the rate can change during any change period.

If your interest rate increases pursuant to the paragraph above in this Section, the result is that you would be required to make higher or lower payments, or if you obtain an advance after any interest rate increase, then your monthly payment would also be adjusted accordingly. The annual percentage rate includes only interest and not other costs. After you open a Revolving Credit Plan, rate information will be provided on periodic statements that we send you.

15. **Maximum, Minimum Rate:** The maximum **Annual Percentage Rate** that can apply to your Plan is 12%, and the minimum floor is 4.0%.
16. **Minimum Monthly Payment During "Draw Period":** Your payments during the Draw Period will be due monthly and will be an amount equal to one (1%) percent of the outstanding balance. You do not need to maintain an outstanding balance on your Home Equity Revolving Credit in order to continue to access your Home Equity Plan. Each cycle period statement will disclose your next adjusted payment that will be due during the draw period and, each adjusted monthly amount due for principal and interest, during the repayment period.

The payment will remain the same during the draw period unless you obtain another credit advance. You may receive advances by using your Home Equity Revolving Plan that will not be paid off during the draw Period. Upon each advance, we will calculate your payments at the maximum **Annual Percentage Rate** and if negative amortization occurs as a result of this calculation, your monthly payments will be adjusted so that no negative amortization occurs.

Your payment during the draw period will never be less than a minimum payment established by the Credit Union of \$50.00 or, if the balance owing is less than \$50.00, the remaining balance owing.

17. **Minimum Monthly Payment During "Repayment Period":** After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance (the "repayment period") in monthly payments. Your outstanding balance at the end of the repayment period will be equal to the sum of (i) the outstanding balance of your loan as of the most recent advance, plus (ii) unpaid interest and late charges assessed on your loan during the billing period covered by the statement we sent you plus (iii) any past due payment.

At the beginning of the repayment period, your loan will be amortized up to 15 years, depending on the chart below, and your outstanding balance at the beginning of the repayment period:

Outstanding Balance at Beginning of Repayment Period	Repayment Period - Amortization Period (Years)
Up to \$15,000.00	Five (5) Years
\$15,001.00 to \$50,000.00	Ten (10) Years
\$50,001.00 and greater	Fifteen (15) Years

If the interest rate increases, the result is that your monthly payments would increase. Your payments will be rounded up to the nearest \$1.00. Your payment during the repayment period will never be less than a minimum payment established by the Credit Union of \$50.00 or, if the balance owing is less than \$50.00, the remaining balance owing.

18. **Finance Charges:** Interest will begin to accrue on advances on the date of the advance. There is no period in which you will not incur interest on advances and there is no "grace period" upon which no interest will accrue on an outstanding balance. A finance charge will not be imposed for any day during which no loan balance is outstanding.

The finance charge is calculated by using the Balance Computation Method for advances. The finance charge is computed by applying the monthly periodic rate to the average daily balance of advances. To calculate the average daily balance of advances, we use the beginning outstanding balance each day, increased by any new advances and then subtract any payments and/or other credits. Then we add all the daily balances of advances for the billing cycle together and divide the total by the number of days in the billing cycle to arrive at the average daily balance for advances.

19. **Periodic Rate And Corresponding Annual Percentage Rate:** To obtain the monthly periodic rate and the corresponding annual percentage rate, we divide the annual percentage rate by the number of months in a year (12) and to obtain the annual percentage rate we multiply the monthly periodic rate by the number of months in a year (12). The result is the annual percentage rate.
20. **Late Charges:** If a payment is not received by the 10th day after its due date, you will be charged 5% of the payment with a minimum of \$7.00 and a maximum of \$25.00.
21. **Other Fees:**
- **Returned Payment Fee:** If you make a payment by check or other means that is not honored and is returned for Non-Sufficient Funds, you will be charged a \$4.00 fee for each item returned.
 - **Document Copy Fee:** You will be charged \$6.00 per each copy of a sales draft requested \$5.00 for a copy of each monthly statement that you request, unless you have requested copies of documents concerning a suspected billing error on this Home Equity account.

22. **Prepayment:** This loan may be paid off at any time in full or in part without any prepayment fee. A prepayment of less than the entire unpaid loan balance would reduce your loan term, but would not excuse you from making your regularly-scheduled payments when due unless you first obtained the Noteholder's approval to skip one or more payments.

23. **Default:** Borrower(s) will be in default under this Agreement if any of the following occur: (a) Borrower(s) fail to make a monthly payment when due; (b) Borrower(s) does not comply with any obligation imposed by this Agreement or the Mortgage given to this creditor in connection with this Agreement; (c) any borrower dies; (d) Borrower(s) gave this creditor false or misleading information on their loan application or supporting documentation; (e) Borrower(s) is not generally paying debts as they become due, or borrower(s) personally file a bankruptcy proceeding; or (f) a levy, writ of garnishment or similar process is issued against borrower(s).
24. **Effects Of Default:** If borrower(s) is in default, the Credit Union may declare the entire balance of the Revolving Credit to be due and payable at once, and may suspend or terminate the Revolving Credit without notice to borrower(s). After declaring the entire balance due, said creditor may enforce any or all of its rights under this Agreement and the Mortgage given to said creditor. These rights include the right to initiate foreclosure proceedings on the Mortgage. If borrower(s) is in default, the Credit Union also has the right to apply any amount the borrower(s) may have on deposit now or in the future with the Credit Union against any amounts due and payable under this Agreement. The Credit Union may exercise this right without notice to borrower(s) any time borrower(s) is in default.
25. **Possible Actions:** We can terminate your revolving credit, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if: (a) You engage in fraud or material misrepresentation in connection with the revolving credit; (b) You do not meet the repayment terms; (c) Your action or inaction adversely affects the collateral or our rights in the collateral; (d) We can refuse to make additional extensions of credit or reduce your credit limit if: (i) The value of the dwelling securing the revolving credit decreases significantly below its appraised value for purposes of the revolving credit; (ii) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances (iii) You are in default of a material obligation in the agreement; (iv) 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 revolving credit; (v) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; (vi) The maximum annual percentage rate is reached or you have reached your maximum available credit revolving credit; (vii) You engage in any type of illegal gambling activity.
26. **Collection Costs:** Borrower(s) agree to pay all the costs incurred to collect any amounts due under this Agreement, including, but not limited to, reasonable attorney fees and costs which have actually been incurred by the Credit Union and paid to attorneys who are not Credit Union salaried employees.
27. **Cancellation:** Borrower(s) have the right to cancel this Revolving Credit at any time by giving this Credit Union notice in writing. Cancellation by any one borrower will cancel the option to receive additional advances by any borrower. Of course, cancellation does not relieve either borrower of the obligation to repay all amounts due under this Revolving Credit at the time of cancellation. In addition, the Mortgage previously executed and given to this Credit Union will remain in effect until all of the obligations under this Revolving Credit have been paid in full.
28. **Change Of Terms:** This Credit Union, its successors or assigns, reserve the right to change the monthly payment due date, the method used to compute the Finance Charge and the minimum payment amount. We will send you written notice at least 15 days prior to the effective date of any such changes.
29. **Forbearance:** Even if the Credit Union elects not to utilize one of its remedies when borrower(s) is in default, said Credit Union can still utilize that remedy if a default occurs again. If the Credit Union does not use a remedy when this Note is in default, we can still consider that act of default as a default in the future.
30. **Property Insurance Required:** You must carry insurance on the property that secures this revolving credit of credit plan. If the property is located in a special Flood Hazard Area, we will require you to obtain flood insurance if it is available. Your Mortgage provides that the Credit Union may pay any such insurance and add those fees to your loan as a cash advance, with interest accruing thereon, if you do not provide the necessary insurance coverage.
31. **Assignment And Termination:** Borrower(s) may not assign any rights or obligations under this Agreement to any other party. The Credit Union may transfer its rights under this Agreement to another party and may assign the Mortgage you gave to the Credit Union to another party. The Credit Union may terminate this Agreement at any time after first sending borrower(s) notice in writing and the effective date of the termination. If the Credit Union terminates this Agreement, borrower(s) will no longer be entitled to receive future advances. Termination by you or the Credit Union will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement. You are also responsible for all transactions made to your Account after termination, unless the transactions were unauthorized. The Access method to this Revolving Credit Plan remains the property of the Credit Union and you must recover and surrender to the Credit Union all Home Banking Access upon request or upon termination of this Agreement whether by you or the Credit Union. The Credit Union has the right to require you to pay your full Account balance at any time after your Account is terminated, whether you or the Credit Union terminate it. If this is a joint Account, this Agreement also applies to termination of the Account.
32. **Severability:** If any provisions of this Agreement or the Mortgage given to secure this Agreement are found to be illegal or unenforceable by a court of law, that will not affect the validity or the remaining provisions of this Agreement and the Mortgage.
33. **Statements:** This Credit Union will send borrower(s) a statement showing the status of your account on a monthly basis. This statement will itemize the Advances that have requested during the previous month, the total Outstanding Balance Due on the Revolving Credit, the current Finance Charge, payments received during that period, any available Revolving Credit, and any other fees or charges as well as the current **Annual Percentage Rate**.
34. **Financial Information:** Borrower(s) agree to give this Credit Union such updated financial and credit information as may reasonably be required from time to time during the term of this Agreement. We have the right to obtain credit information about borrower(s) from a credit reporting agency or other person. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.
35. **Credit Information:** You authorize the Credit Union to investigate your credit standing when opening or reviewing your Account. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. You also authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing.
36. **Joint And Several Liability:** **If more than one borrower signs this Agreement, each borrower is fully and personally obligated to pay the full amount and to keep all of the promises made in this Agreement. If only one borrower signs for any subsequent advance made pursuant to this Revolving Credit Agreement, all individuals signing this Note will still be liable for each and every subsequent advance unless the Credit Union received in writing prior to any advancement, a statement signed by the borrower advising the Credit Union that he/she shall no longer be liable for additional advances. Each borrower shall nonetheless be liable for all advances made by the Credit Union prior to the Credit Union's receipt of the notice specified in this sentence.** If there is more than one borrower, we can excuse one person for failing to meet his or her responsibilities without losing our rights against anyone else who

