

# Home Equity Line of Credit Application

Home improvement.  
Your child's education.  
Bill consolidation.  
A dream car or vacation.  
Tap into your home's  
equity and we can help!



**HawaiiUSA**  
FEDERAL CREDIT UNION

*Life matters.*

call: 534.4300 / (800) 379.1300 toll-free

[www.hawaiiusafcu.com](http://www.hawaiiusafcu.com)

# Welcome

**Thank you for applying with HawaiiUSA FCU for your financing needs.**

Processing your application consists of four steps, which include:

- Verifying your **employment and income information**
- Verifying your **credit history** information
- Verifying the **value of the property**. (An appraisal may be required.)
- Verifying that there is **clear title in your name(s)**

From the information you submit, we will process the Home Equity Line of Credit you are applying for. The completeness and timely submission of the documents requested will enable us to issue a faster decision.

<b>Checklist of Required Items Needed to Process Your Request</b>
<input type="checkbox"/> Completed Home Equity Line of Credit application with signature(s) and date.
<input type="checkbox"/> Income verification <ul style="list-style-type: none"> <li><input type="checkbox"/> Copy of most recent pay stubs showing year to date earnings and pay period (1 full month, consecutive).</li> <li><input type="checkbox"/> Two years most recent W-2 forms.</li> <li><input type="checkbox"/> Two years most recent signed and dated Federal Tax Returns. Include all schedules. (if self-employed or have rental, investment or other income, and as applicable)</li> <li><input type="checkbox"/> Please note that additional income verification may be requested.</li> </ul>
<input type="checkbox"/> Copy of mortgage(s) statement showing outstanding balance on the property that will be used as collateral.
<input type="checkbox"/> Copy of homeowner, hurricane and flood insurance (if applicable) policies.
<input type="checkbox"/> If property is in a trust, copies of long form trust documents along with all amendments.
<input type="checkbox"/> If this request is for a bill consolidation, enclose <u>full copies of your current statements</u> and write down your <u>entire account number</u> on your current statements. <b>Please remember</b> , you must continue your regular monthly payments until your loan has been finalized and proceeds have been disbursed.
<input type="checkbox"/> Copy of monthly Homeowners Association dues and/or Maintenance fees (if applicable).
<input type="checkbox"/> Signed attached application disclosures: <ul style="list-style-type: none"> <li><input type="checkbox"/> Information Authorization</li> <li><input type="checkbox"/> Home Equity Line of Credit Borrowers' Agreement</li> <li><input type="checkbox"/> Notices to Real Estate Mortgage Loan Applicant</li> <li><input type="checkbox"/> E-Sign Act Consumer Disclosure</li> </ul>

# Home Equity Line of Credit Application

**PLEASE COMPLETE THE GENERAL LOAN INFORMATION BELOW:**

Loan Amount Requesting: \$ \_\_\_\_\_ Member Number: \_\_\_\_\_  
 Are you applying for a Home Equity Line of Credit with an initial fixed-rate term?  Yes  No  
 If yes, please check one of the following initial fixed-rate term that you are applying for:  
 1-Year Fixed  2-Year Fixed  3-Year Fixed

**PLEASE CHECK THE APPROPRIATE BOXES AND COMPLETE THE INFORMATION BELOW:**

Are you a U.S. Citizen?  Yes  No  
 If no, are you a permanent resident?  Yes  No  
 Please check if applying:  Individually (Provide information about yourself.)  
 Jointly (Provide information about yourself and your co-applicant.)  
 We intend to apply for joint credit: **Applicant Initials** \_\_\_\_\_ **Co-Applicant Initials** \_\_\_\_\_  
 Purpose of funds:  Debt Consolidation  Home Improvement  Refinance Home Loan  Other \_\_\_\_\_

**1 PLEASE TELL US ABOUT YOURSELF CO-APPLICANT**

<p>LAST NAME _____ FIRST _____ MIDDLE _____</p> <p>HOME ADDRESS _____</p> <p>CITY, STATE, ZIP CODE _____ NO. OF YEARS AT THIS ADDRESS _____</p> <p>TELEPHONE / CELL PHONE _____ NO. OF DEPENDENTS _____</p> <p>MAILING ADDRESS IF DIFFERENT _____</p> <p>CITY, STATE, ZIP CODE _____</p> <p>SOCIAL SECURITY NUMBER _____ BIRTH DATE _____</p> <p>MARITAL STATUS: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (including single, divorced &amp; widowed)</p>	<p>LAST NAME _____ FIRST _____ MIDDLE _____</p> <p>HOME ADDRESS _____</p> <p>CITY, STATE, ZIP CODE _____ NO. OF YEARS AT THIS ADDRESS _____</p> <p>TELEPHONE / CELL PHONE _____ NO. OF DEPENDENTS _____</p> <p>MAILING ADDRESS IF DIFFERENT _____</p> <p>CITY, STATE, ZIP CODE _____</p> <p>SOCIAL SECURITY NUMBER _____ BIRTH DATE _____</p> <p>MARITAL STATUS: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (including single, divorced &amp; widowed)</p>
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**2 PLEASE TELL US ABOUT YOUR EMPLOYMENT CO-APPLICANT**

<p><input type="checkbox"/> SELF-EMPLOYED</p> <p>EMPLOYER NAME _____</p> <p>OCCUPATION _____ YEARS _____ MONTHS _____</p> <p>TELEPHONE _____ GROSS MONTHLY INCOME _____</p> <p>PREVIOUS EMPLOYER (If current employment is less than two years) _____</p> <p>OTHER SOURCE OF INCOME* _____ GROSS MONTHLY INCOME _____</p>	<p><input type="checkbox"/> SELF-EMPLOYED</p> <p>EMPLOYER NAME _____</p> <p>OCCUPATION _____ YEARS _____ MONTHS _____</p> <p>TELEPHONE _____ GROSS MONTHLY INCOME _____</p> <p>PREVIOUS EMPLOYER (If current employment is less than two years) _____</p> <p>OTHER SOURCE OF INCOME* _____ GROSS MONTHLY INCOME _____</p>
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\*Alimony, child support, or separate maintenance income need not be revealed, if you do not wish to have it considered as a basis for repaying this obligation.

**3 PLEASE TELL US ABOUT YOUR PROPERTY SECURING THE LINE**

<p>STREET ADDRESS _____</p> <p>CITY, STATE, ZIP CODE _____</p> <p>TAX MAP KEY _____</p> <p>PURCHASE DATE _____</p>	<p>PROPERTY USE <input type="checkbox"/> OWNER-OCCUPIED  <input type="checkbox"/> SECOND HOME  <input type="checkbox"/> RENTAL OR INVESTMENT</p> <p>TENURE <input type="checkbox"/> FEE SIMPLE <input type="checkbox"/> LEASEHOLD</p> <p>PROPERTY TYPE <input type="checkbox"/> SINGLE FAMILY RESIDENCE <input type="checkbox"/> CONDOMINIUM  <input type="checkbox"/> 2-4 FAMILY RESIDENCE <input type="checkbox"/> TOWNHOUSE</p> <p>ASSOCIATION NAME, IF APPLICABLE _____</p>	<p>\$ _____ PROPERTY VALUE</p> <p>_____ MORTGAGE COMPANY</p> <p>\$ _____ / \$ _____ EST. MORTGAGE BALANCE / MONTHLY PYMT</p> <p>\$ _____ / \$ _____ MAINTENANCE / ASSOCIATION</p>
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4 PLEASE TELL US ABOUT YOUR DEBTS (Please attach a separate sheet for additional obligations)				
NAME OF CREDITOR	ACCOUNT NUMBER	TYPE OF DEBT	MONTHLY PAYMENT	CURRENT BALANCE

5 PLEASE PROVIDE YOUR PERSONAL REFERENCES			
NAME OF NEAREST RELATIVE (not living with you)	ADDRESS	RELATIONSHIP	TELEPHONE
NAME OF PERSONAL REFERENCE	ADDRESS	RELATIONSHIP	TELEPHONE

6 SCHEDULE OF REAL ESTATE OWNED (Please attached a separate sheet for additional real estate owned)						
PROPERTY ADDRESS	MORTGAGE COMPANY	PRESENT MARKET VALUE	MORTGAGE BALANCE	GROSS RENTAL INCOME	MORTGAGE PAYMENT	MAINT FEE, TAXES, INS.

7 PLEASE TELL US ABOUT YOUR ASSETS (Please attached a separate sheet for additional assets)			
FINANCIAL INSTITUTION / COMPANY NAME	ACCOUNT NUMBER	TYPE OF ACCOUNT	BALANCE
		<input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> CD	\$
		<input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> CD	\$
		OTHER:	\$
		OTHER:	\$
IWE HAVE THE FOLLOWING AUTOMOBILES:	YEAR MAKE <input type="checkbox"/> OWN <input type="checkbox"/> MAKE PAYMENT	YEAR MAKE <input type="checkbox"/> OWN <input type="checkbox"/> MAKE PAYMENT	YEAR MAKE <input type="checkbox"/> OWN <input type="checkbox"/> MAKE PAYMENT
CASH VALUE LIFE INSURANCE (NOT FACE VALUE)	\$	OTHER ASSETS (DESCRIBE):	\$
VESTED INTEREST – PROFIT SHARING	\$	OTHER ASSETS (DESCRIBE):	\$

ACKNOWLEDGEMENTS AND SIGNATURES			
By signing this Application, you agree that you will tell us immediately if there is any change in your financial condition, employment, or the property; you will pay our out-of-pocket expenses in processing the application, even if we reject it or you withdraw it. Expenses may include fees for an appraisal of the property, credit reports, title report, documents, etc.		By signing this Application, you represent that all information you have provided in this Application is true and correct, that you authorize us to verify the information and to get and give credit information about you, both now and in the future, and you acknowledge that you have received and retained the booklet titled "What You Should Know About Home Equity Lines of Credit."	
YOUR SIGNATURE	DATE	CO-APPLICANT SIGNATURE	DATE

FOR OFFICE USE ONLY:		
Loan Originator's Signature	Date	
Loan Originator's Name	Loan Originator Identifier	Loan Originator's Phone Number (including area code)
Loan Origination Company's Name HawaiiUSA Federal Credit Union	Loan Origination Company Identifier 433852	Loan Origination Company's Address 1226 College Walk Honolulu, HI 96817



Federally insured by NCUA



### IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of Credit Plan. 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 that you pay 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority 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 line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

**INITIAL DISCOUNT TIME FRAME PLAN OPTION:** When you establish the plan, you will be able to select the time frame of the "Initial Discounted Rate" of 12 months or 24 months. The time frame selected will be disclosed to you on the Home Equity Addendum provided to you when you establish the plan. Unless otherwise specified, the language within this disclosure applies to both options.

**MINIMUM PAYMENT REQUIREMENTS:** You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The repayment period is the length of time that occurs between the end of the draw period and the maturity of the plan. 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, with a maximum length of 15 years.

You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 180 monthly payments will be used to calculate your payment. The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will be rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases. Each time the annual percentage rate increases, we will review the effect the increase has had on your plan. If the annual percentage rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the current payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$150.00, or the full amount that you owe.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 5 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.25%. During that period, you would make 76 payments of \$150.00 and one (1) final payment of \$28.08.

**FEES AND CHARGES:** In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Flood Zone Determination Fee: \$19.00 (Due at closing)

Document Preparation Fee: \$150.00 (Due at closing)

You must pay certain fees to third parties to open the plan. These fees generally total between \$400.00 and \$1,400.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

**PROPERTY INSURANCE:** You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**TRANSACTION REQUIREMENTS:** The minimum credit advance that you can receive is \$250.00 for the first advance and \$250.00 for each subsequent advance.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

**ADDITIONAL HOME EQUITY PLANS:** Please ask us about our other available home equity line of credit plans.

**VARIABLE RATE FEATURE:** This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may 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. The index is the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one year. Information about the index is published in the Federal Reserve Bulletin. We will use the most recent index value available to us as of 15 days before the first day in February, May, August and November.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. If the rate is not already rounded we then round up to the next .25%.

The initial annual percentage rate is "discounted" - it is not based on the index and margin used for later rate adjustments. When you establish the plan, you will be able to select the time frame of the "Initial Discounted Rate" of 12 months or 24 months. Ask us for the current index value, margin, discount and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

**RATE CHANGES:** The annual percentage rate can change quarterly on the first day of February, May, August and November. The rate cannot increase or decrease more than 1.0 percentage point at each adjustment. The initial discount rate will not be taken into account in applying this periodic rate cap. The maximum **ANNUAL PERCENTAGE RATE** that can

apply is 18.0% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.25% at any time during the term of the plan except when an initial discount feature applies.

**MAXIMUM RATE AND PAYMENT EXAMPLES - 12 MONTH INITIAL DISCOUNT:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 40th payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES - 24 MONTH INITIAL DISCOUNT:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 40th payment.

**HISTORICAL EXAMPLE:** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first week ending in January of each year. While only one payment per year is shown, payments may have varied during each year.

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

U.S. TREASURY SECURITIES (1-YEAR) INDEX TABLE

Year (as of the first week ending in January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	12 Month Initial Discount		24 Month Initial Discount	
			<b>ANNUAL PERCENTAGE RATE</b>	Monthly Payment (Dollars)	<b>ANNUAL PERCENTAGE RATE</b>	Monthly Payment (Dollars)
2002.....	2.240	2.50	0.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>	1.750 <sup>(5)</sup>	150.00 <sup>(4)</sup>
2003.....	1.380	2.50	4.250 <sup>(3)</sup>	150.00 <sup>(4)</sup>	1.750 <sup>(5)</sup>	150.00 <sup>(4)</sup>
2004.....	1.290	2.50	4.250 <sup>(3)</sup>	150.00 <sup>(4)</sup>	4.250 <sup>(3)</sup>	150.00 <sup>(4)</sup>
2005.....	2.820	2.50	5.500	150.00 <sup>(4)</sup>	5.500	150.00 <sup>(4)</sup>
2006.....	4.370	2.50	7.000	150.00 <sup>(4)</sup>	7.000	150.00 <sup>(4)</sup>
2007.....	4.980	2.50	7.500	150.00 <sup>(4)</sup>	7.500	150.00 <sup>(4)</sup>
2008.....	3.180	2.50	5.750	150.00 <sup>(4)</sup>	5.750	150.00 <sup>(4)</sup>
2009.....	0.370	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2010.....	0.470	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2011.....	0.290	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2012.....	0.120	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2013.....	0.150	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2014.....	0.130	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2015.....	0.250	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2016.....	0.660	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently, your plan may be discounted by a different amount.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 4.250% floor.

<sup>(4)</sup> This payment reflects the minimum payment of \$150.00.



**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN**

This disclosure contains important information about our Home Equity Line of Credit Plan. 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 that you pay 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority 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 line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

**INITIAL FIXED RATE TIME FRAME PLAN OPTIONS:** When you establish the plan, you will be able to select the time frame of the "Initial Fixed Rate" of three (3) years, four (4) years, five (5) years, ten (10) years or fifteen (15) years. The time frame selected will be disclosed to you on the Home Equity Addendum provided to you when you establish the plan. Renewal or extension of the draw period will not change the initial fixed rate time frame. Unless otherwise specified, the language within this disclosure applies to all options.

**MINIMUM PAYMENT REQUIREMENTS – INITIAL FIXED RATE OF 3 YEARS, 4 YEARS, 5 YEARS, 10 YEARS OR 15 YEARS:** You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The repayment period is the length of time that occurs between the end of the draw period and the maturity of the plan. 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, with a maximum length of 15 years.

**INITIAL FIXED RATE OF 3 YEARS, 4 YEARS OR 5 YEARS ONLY:** You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 180 monthly payments will be used to calculate your payment. The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the current payoff period. Your payment will be rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases. Each time the annual percentage rate increases, we will review the effect the increase has had on your plan. If the annual percentage

rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the current payoff period. Your payment will be rounded up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$150.00, or the full amount that you owe.

**INITIAL FIXED RATE OF 10 YEARS ONLY:** You will be required to make monthly payments during both the draw and repayment periods. During the draw period, at the time you obtain a credit advance a payoff period of 180 monthly payments will be used to calculate your payment. Your payment will be set to repay the outstanding balance after the advance, at the current annual percentage rate, within the current payoff period. Your payment will be rounded up to the nearest dollar. During the draw period, your payment will remain the same unless you obtain another credit advance.

Your initial fixed rate period will end in ten (10) years, and the variable rate feature will then apply until maturity. When the variable rate period feature begins, your payment will be set to repay the outstanding balance, at the current annual percentage rate, within the time remaining to maturity. Your payment may change if the annual percentage rate increases or decreases. Each time the annual percentage rate changes, we will adjust your payment to repay the balance to the maturity date. Your payment will be rounded up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$150.00, or the full amount that you owe.

**INITIAL FIXED RATE OF 15 YEARS ONLY:** You will be required to make monthly payments during both the draw and repayment periods. During the draw period, at the time you obtain a credit advance a payoff period of 180 monthly payments will be used to calculate your payment. Your payment will be set to repay the outstanding balance after the advance, at the current annual percentage rate, within the current payoff period. Your payment will be rounded up to the nearest dollar. During the draw period, your payment will remain the same unless you obtain another credit advance.

Your initial fixed rate period will end in fifteen (15) years, and the variable rate feature will then apply until maturity. When the variable rate period feature begins, your payment will be set to repay the outstanding balance, at the current annual percentage rate, within the time remaining to maturity. Your payment may change if the annual percentage rate increases or decreases. Each time the annual percentage rate changes, we will adjust your payment to repay the balance to the maturity date. Your payment will be rounded up to the nearest dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$150.00, or the full amount that you owe.

**MINIMUM PAYMENT EXAMPLE – INITIAL FIXED RATE OF 3 YEARS:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 2 months to pay off a credit advance of \$10,000. During that period, you would make 36 payment of \$150.00 at an **ANNUAL PERCENTAGE RATE** of 2.75%, followed by 37 payments of \$150.00 and one (1) final payment of \$50.18 at an **ANNUAL PERCENTAGE RATE** of 4.25%.

**MINIMUM PAYMENT EXAMPLE – INITIAL FIXED RATE OF 4 YEARS:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 3 months to pay off a credit advance of \$10,000. During that period, you would make 48 payments of \$150.00 at an **ANNUAL PERCENTAGE**

**RATE** of 3.5%, followed by 26 payments of \$150.00 and one (1) final payment of \$71.62 at an **ANNUAL PERCENTAGE RATE** of 4.25%.

**MINIMUM PAYMENT EXAMPLE – INITIAL FIXED RATE OF 5 YEARS:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 3 months to pay off a credit advance of \$10,000. During that period, you would make 60 payment of \$150.00 at an **ANNUAL PERCENTAGE RATE** of 3.75%, followed by 14 payment s of \$150.00 and one (1) final payment of \$139.16 at an **ANNUAL PERCENTAGE RATE** of 4.25%.

**MINIMUM PAYMENT EXAMPLE – INITIAL FIXED RATE OF 10 YEARS:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 7 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.0%. During that period, you would make 78 payments of \$150.00 and one (1) final payment of \$40.62.

**MINIMUM PAYMENT EXAMPLE – INITIAL FIXED RATE OF 15 YEARS:** If you made only the minimum monthly payment and took no other credit advances it would take 6 years 9 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.75%. During that period, you would make 80 payments of \$150.00 and one (1) final payment of \$77.42.

**FEES AND CHARGES:** In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Flood Zone Determination Fee: \$19.00 (Due at closing)

Document Preparation Fee: \$150.00 (Due at closing)

You must pay certain fees to third parties to open the plan. These fees generally total between \$400.00 and \$1,400.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

**PROPERTY INSURANCE:** You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**TRANSACTION REQUIREMENTS:** The minimum credit advance that you can receive is \$250.00 for the first advance and \$250.00 for each subsequent advance.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

**ADDITIONAL HOME EQUITY PLANS:** Please ask us about our other available home equity line of credit plans.

**FIXED ANNUAL PERCENTAGE RATE AND VARIABLE RATE FEATURE:** A fixed annual percentage rate will be used for the time frame selected when you establish your plan (3 years, 4 years, 5 years, 10 years or 15 years). For the 3 year initial fixed rate, an **ANNUAL PERCENTAGE RATE** of 2.75% is representative of a fixed rate we have offered recently with this plan. For the 4 year initial fixed rate, an **ANNUAL PERCENTAGE RATE** of 3.50% is representative of a fixed rate we have offered recently with this plan. For the 5 year initial fixed rate, an **ANNUAL PERCENTAGE RATE** of 3.75% is representative of a fixed rate we have offered recently with this plan. For the 10 year initial fixed rate, an **ANNUAL PERCENTAGE RATE** of 5.00% is representative of a fixed rate we have offered recently with this plan. For the 15 year initial fixed rate, an **ANNUAL PERCENTAGE RATE** of 5.75% is representative of a fixed rate we have offered recently with this plan. Ask us for the current fixed rate under this plan.

This plan also contains a variable rate feature after the selected initial fixed rate period ends, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may change as a result. The annual percentage rate includes only interest and no other costs.

The variable annual percentage rate is based on the value of an index. The index is the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one year. Information about the index is published in the Federal Reserve Bulletin. We will use the most recent index value available to us as of 15 days before the first day in February, May, August and November. To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. If the rate is not already rounded we then round up to the next .25%. Ask us for the current index value, margin, and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

**RATE CHANGES:** The annual percentage rate will not change during the initial fixed rate period that you selected (3 years, 4 years, 5 years, 10 years or 15 years). Thereafter, the annual percentage rate can change quarterly on the first day of February, May, August and November. The rate cannot increase or decrease more than 1.0 percentage point at each adjustment. The initial fixed rate will not be taken into account in applying this periodic rate cap. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.0% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.25% at any time during the term of the plan except when an initial fixed rate feature applies.

**MAXIMUM RATE AND PAYMENT EXAMPLES – INITIAL FIXED RATE OF 3 YEARS:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 40th payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES –INITIAL FIXED RATE OF 4 YEARS:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 49th payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES – INITIAL FIXED RATE OF 5 YEARS:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 61st payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES – INITIAL FIXED RATE OF 10 YEARS:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 121st payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES – INITIAL FIXED RATE OF 15 YEARS:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$162.00. This annual percentage rate could be reached at the time of the 181st payment.

**HISTORICAL EXAMPLES:** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first week ending in January of each year. While only one payment per year is shown, payments may have varied during each year.

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

The Historical Examples appear on the following page.



HISTORICAL EXAMPLES:

U.S. TREASURY SECURITIES (1-YEAR) INDEX TABLE

Year (as of the first week ending in January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	Three Year Initial Fixed Rate		Four Year Initial Fixed Rate		Five Year Initial Fixed Rate	
			ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2002.....	2.240	2.50	2.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.500 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2003.....	1.380	2.50	2.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.500 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2004.....	1.290	2.50	2.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.500 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2005.....	2.820	2.50	5.500	150.00 <sup>(4)</sup>	3.500 <sup>(2)</sup>	150.00 <sup>(4)</sup>	3.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2006.....	4.370	2.50	7.000	150.00 <sup>(4)</sup>	7.000	150.00 <sup>(4)</sup>	3.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2007.....	4.980	2.50	7.500	150.00 <sup>(4)</sup>	7.500	150.00 <sup>(4)</sup>	7.500	150.00 <sup>(4)</sup>
2008.....	3.180	2.50	5.750	150.00 <sup>(4)</sup>	5.750	150.00 <sup>(4)</sup>	5.750	150.00 <sup>(4)</sup>
2009.....	0.370	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2010.....	0.470	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2011.....	0.290	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2012.....	0.120	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2013.....	0.150	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2014.....	0.130	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2015.....	0.250	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	
2016.....	0.660	2.50	4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>		4.250 <sup>(3)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects a fixed rate that we have provided recently, your plan may reflect a different amount.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 4.250% floor.

<sup>(4)</sup> This payment reflects the minimum payment of \$150.00.

U.S. TREASURY SECURITIES (1-YEAR) INDEX TABLE

Year (as of the first week ending in January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	Ten Year Initial Fixed Rate		Fifteen Year Initial Fixed Rate	
			ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2002.....	2.240	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2003.....	1.380	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2004.....	1.290	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2005.....	2.820	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2006.....	4.370	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2007.....	4.980	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2008.....	3.180	2.50	5.000 <sup>(2)</sup>	150.00 <sup>(4)</sup>	5.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2009.....	0.370	2.50	5.000 <sup>(2)</sup>		5.750 <sup>(2)</sup>	
2010.....	0.470	2.50	5.000 <sup>(2)</sup>		5.750 <sup>(2)</sup>	
2011.....	0.290	2.50	5.000 <sup>(2)</sup>		5.750 <sup>(2)</sup>	
2012.....	0.120	2.50	4.250 <sup>(3)</sup>		5.750 <sup>(2)</sup>	
2013.....	0.150	2.50	4.250 <sup>(3)</sup>		5.750 <sup>(2)</sup>	
2014.....	0.130	2.50	4.250 <sup>(3)</sup>		5.750 <sup>(2)</sup>	
2015.....	0.250	2.50	4.250 <sup>(3)</sup>		5.750 <sup>(2)</sup>	
2016.....	0.660	2.50	4.250 <sup>(3)</sup>		5.750 <sup>(2)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects a fixed rate that we have provided recently, your plan may reflect a different amount.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 4.250% floor.

<sup>(4)</sup> This payment reflects the minimum payment of \$150.00.

**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN**

This disclosure contains important information about our Home Equity Line of Credit Plan. 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 that you pay 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority 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 line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

**MINIMUM PAYMENT REQUIREMENTS:** You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. 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. You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 180 monthly payments will be used to calculate your payment.

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will remain the same unless you obtain another credit advance. Your payment will also change if the annual percentage rate increases or decreases. Each

time the annual percentage rate changes, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$150.00, or the full amount that you owe.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 7 years 5 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.0%. During that period, you would make 88 payments of \$150.00 and one (1) final payment of \$71.56.

**FEES AND CHARGES:** You must pay certain fees to third parties to open the plan. These fees generally total between \$800.00 and \$1,200.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

**PROPERTY INSURANCE:** You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**TRANSACTION REQUIREMENTS:** The minimum credit advance that you can receive is \$250.00 for the first advance and \$250.00 for each subsequent advance.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

**ADDITIONAL HOME EQUITY PLANS:** Please ask us about our other available home equity line of credit plans.

**VARIABLE RATE FEATURE:** This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may 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. The index is the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one year. Information about the index is published in the [Federal Reserve Bulletin](#). We will use the most recent index value available to us as of 15 days before the first day in February, May, August and November.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. The margin you receive will be based on your loan-to-value ratio and will be disclosed on the Addendum

at closing. If the rate is not already rounded we then round up to the next .25%. The initial annual percentage rate may be "discounted" - it may not be based on the index and margin used for later rate adjustments. If we are offering an initial discounted rate it will not be in effect for more than 6 months. The availability of an initial discounted rate and the length of the discounted rate period will be disclosed on the Addendum at closing.

Ask us for the current index value, margin, annual percentage rate and initial discounted rate availability. After you open a plan, rate information will be provided on periodic statements that we send you.

**RATE CHANGES:** The annual percentage rate can change quarterly on the statement cycle date of February, May, August and November. The rate cannot increase or decrease more than 1 percentage point at each adjustment. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 8% at any time during the term of the plan.

**MAXIMUM RATE AND PAYMENT EXAMPLES:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$161.11. This annual percentage rate could be reached at the time of the 34th payment.

**HISTORICAL EXAMPLE:** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first week ending in January of each year. While only one payment per year is shown, payments may have varied during each year.

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

U.S. TREASURY SECURITIES (1-YEAR) INDEX TABLE

Year (as of the first week ending in January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2002.....	2.240	3.50	0.750 <sup>(2)</sup>	150.00 <sup>(4)</sup>
2003.....	1.380	3.50	8.000 <sup>(3)</sup>	150.00 <sup>(4)</sup>
2004.....	1.290	3.50	8.000 <sup>(3)</sup>	150.00 <sup>(4)</sup>
2005.....	2.820	3.50	8.000 <sup>(3)</sup>	150.00 <sup>(4)</sup>
2006.....	4.370	3.50	8.000	150.00 <sup>(4)</sup>
2007.....	4.980	3.50	8.500	150.00 <sup>(4)</sup>
2008.....	3.180	3.50	8.000 <sup>(3)</sup>	150.00 <sup>(4)</sup>
2009.....	0.370	3.50	8.000 <sup>(3)</sup>	
2010.....	0.470	3.50	8.000 <sup>(3)</sup>	
2011.....	0.290	3.50	8.000 <sup>(3)</sup>	
2012.....	0.120	3.50	8.000 <sup>(3)</sup>	
2013.....	0.150	3.50	8.000 <sup>(3)</sup>	
2014.....	0.130	3.50	8.000 <sup>(3)</sup>	
2015.....	0.250	3.50	8.000 <sup>(3)</sup>	
2016.....	0.660	3.50	8.000 <sup>(3)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently, your plan may be discounted by a different amount or it may not be discounted at all.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects an 8.000% floor.

<sup>(4)</sup> This payment reflects the minimum payment of \$150.00.

## Information Authorization

To: Whom It May Concern, Including But Not Limited to  
Financial Institutions, Employers, Commercial Businesses,  
Credit Collection Agencies, Creditors, Agents, et al.

I/We, the undersigned, am/are presently applying for credit with HawaiiUSA Federal Credit Union. As part of the application process, HawaiiUSA Federal Credit Union may verify information contained in my loan application and in any other documents required in connection with the loan, either before the loan is funded or as part of the quality control program after funding.

I/We further authorize HawaiiUSA Federal Credit Union to obtain a title search and other documents pertaining to the property that will serve as security for the loan.

By this letter, I/We authorize you to provide to HawaiiUSA Federal Credit Union any and all information requested regarding any past, present, or future financial, employment or other dealings that I have had with you or your firm. You are authorized to provide and/or verify information such as salaries, account balances, loan ratings, payment histories, etc.

I/We also authorize HawaiiUSA Federal Credit Union to reproduce this form as often as necessary to obtain the requested information; therefore, a copy of this form together with a signed or unsigned verification form carries the same authority as an originally signed authorization.

Your company, its officers and employees are held harmless by me/us for providing true and correct information.

Your prompt response to this request is appreciated since time is of the essence regarding the processing of my credit request with HawaiiUSA Federal Credit Union.

Thank you,

Signature of Applicant	Date	Signature of Applicant	Date
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Social Security Number	Social Security Number
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The information to be obtained will be used by the lender and any federal agency insuring, guaranteeing or purchasing the mortgage to determine whether you qualify as a prospective borrower under the lender's and the agency's underwriting standards. The information will not be disclosed outside the lender and the federal agency without your consent except to the person or company verifying the information including, but not limited to, your employer, bank, lender, and any other credit reference as needed to verify other credit information and as permitted by law. You do not have to give us this information, but if you do not your mortgage loan application may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/COD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA, RHCDS).

# Home Equity Line of Credit Borrowers' Agreement

## PROPERTY ADDRESS:

I am submitting an application for a home equity line of credit from HawaiiUSA Federal Credit Union. In connection with my application:

1. I certify that:
  - a) I am making the application solely on my own behalf.
  - b) The property is my principal residence.
2. I agree that:
  - a) I will tell you immediately if there is any change in my financial condition, employment, or the property.
  - b) You can verify or ask me to verify any credit or other information you receive concerning me. You can get and give credit information concerning me, both now and in the future.
  - c) I will pay your out-of-pocket expenses in processing the application, even if you reject it or I withdraw it. Expenses may include fees for an appraisal of the property, credit reports, title reports, documents, etc.
3. I understand that, if you approve the loan:
  - a) Your title insurance policy will not protect me. I will have to pay an extra premium if I want an owner's policy to protect me.  
I  want  do not want an owner's policy.
  - b) I will have to pay for property insurance (fire and other hazards) and also for flood insurance if the property is located in a special flood hazard area.
  - c) I will have to pay all of the closing costs (escrow fees (if applicable), insurance premiums, etc.) for the loan.
  - d) I have the right to choose the escrow company, the flood and hazard insurance companies, the notary and the pest control company, I will notify you in writing and provide you with the name of the company, and the name, address, and phone number of the responsible company representative or agent within fifteen (15) business days prior to the loan closing. By signing below, I authorize you to select, on my behalf, a company for any of those services, other than hazard or flood insurance, if I do not choose a particular company for one or more of those services within the time requirements described above, and I authorize you to assist me in obtaining any applicable hazard or flood insurance.

#### 4. Notice of Right to Receive Copy of Appraisal/Valuation Report.

An appraisal report may be required on the property used as collateral for your loan and you expressly agree to pay for the cost of the appraisal report.

If we use an appraisal report in connection with your home equity line of credit application, you are entitled to receive a copy of the appraisal report within one week of completion but at least three business days prior to your loan closing. You will receive a copy of the appraisal report even if your application is denied or withdrawn.

While we try to provide you with the appraisal report in a timely manner, there may be times when it is not feasible. In that case, if you wish to exercise the three business day review, you must tell your loan processor at least 24 hours prior to the scheduled closing date to delay your loan closing. When you do not properly notify us, or when you execute closing documents, you will be deemed to have waived this requirement. We will still provide you with a copy of the appraisal report no later than loan closing. You will not be required to pay an additional amount to us to receive a copy of the appraisal report.

Any appraisal report used in connection with your loan application was prepared solely for our use in evaluating a request for an extension of credit. The appraisal report should not be relied upon by any other person or entity. We make no express or implied representation or warranty of any kind, and we expressly disclaim any liability to any person or entity with respect to the property valuation.

#### 5. Information Disclosure

I understand that HAWAIIUSA FEDERAL CREDIT UNION will share information concerning HawaiiUSA Federal Credit Union's experience with my account with HawaiiUSA Federal Credit Union affiliated companies, credit bureaus, and other creditors. I also understand, that in addition, HAWAIIUSA FEDERAL CREDIT UNION will share information concerning me which HAWAIIUSA FEDERAL CREDIT UNION has received from me or a third party with HawaiiUSA Federal Credit Union affiliated companies unless I object to their doing so. I understand that if I do not wish HAWAIIUSA FEDERAL CREDIT UNION to share this additional information with HawaiiUSA Federal Credit Union affiliated companies, I must notify HAWAIIUSA FEDERAL CREDIT UNION in writing. I must include my name(s), address, social security number(s), and account number(s). I understand that notification must be sent to: HAWAIIUSA FEDERAL CREDIT UNION, Approval Center, 1226 College Walk, Honolulu, HI 96817.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

# Notices to Real Estate Mortgage Loan Applicant

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## USA PATRIOT ACT CUSTOMER IDENTIFICATION PROGRAM NOTICE

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### Important Information about Procedures for Opening a New Account or Applying for a Loan

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means to you: When you open an account, such as a new loan or deposit account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents.

Your information will be protected as stated in our Privacy Policy.

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## RIGHT TO FINANCIAL PRIVACY

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As required by the right to Financial Privacy Act of 1978, this is notice to you that the Department of Housing and Urban Development ("HUD") has a right of access to financial records held by HawaiiUSA Federal Credit Union with regard to consideration or administration of government assistance to you. The information requested for government loans is authorized by Title 38 U.S.C. Chapter 37 (if VA); by 12 U.S.C. SS1701 et seq. (if HUD/FHA); by 42 U.S.C. SS1458B (if HUD/CPD); and by 42 U.S.C. SS1471 et seq. or 7 U.S.C. SS1921 et seq. (if U.S.D.A. FmHa). Financial records involving your transaction will be available to HUD without further notice to or authorization from you but will not be disclosed or released by HawaiiUSA Federal Credit Union to any other Government Agency or Department without your consent except as permitted under the Right to Privacy Act of 1987 (12 U.S.C. SS3401 et seq.).

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## PRIVACY POLICY

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HawaiiUSA Federal Credit Union is committed to protecting the privacy and confidentiality of your personal information. We collect, maintain, and use personal information about you to provide financial products and services. This policy is being provided to help you to better understand HawaiiUSA Federal Credit Union's practices in protecting your nonpublic personal information.

Information We Collect: We collect and use nonpublic personal information from the following sources:

1. Information you provide to us on applications or other forms, such as your social security number, assets, liabilities and income.
2. Information about your transactions with us, such as account balance, payment history, and parties to transactions.
3. Information we receive from a consumer reporting agency, such as your creditworthiness and credit history.

Information We Share: We do not disclose any nonpublic personal information about our customers to anyone except as permitted by law.

Former Customers: If you close your account or your account becomes inactive, we will adhere to the privacy policies and practices described in this notice.

Confidentiality and Security of Information: We restrict access to your personal information to those employees who have a business need to know that information to provide products and services to you. Our employees are bound by a code of conduct and ethics, and are educated on the importance of confidentiality and customer privacy. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to protect your nonpublic personal information.

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## FAIR CREDIT REPORTING

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As part of processing your real estate mortgage loan application ("Loan Application"), HawaiiUSA Federal Credit Union may request a consumer report from a consumer reporting agency for the purpose of processing your real estate loan application (15 U.S.C. SS1681). A "consumer report" means any information by a consumer reporting agency bearing a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which serves as a factor in establishing a consumer's eligibility for credit. HawaiiUSA Federal Credit Union may also procure or cause to be prepared an "investigative consumer report" which may include information on your character, general reputation, personal characteristics or mode of living through interviews with persons who know you. Should HawaiiUSA Federal Credit Union determine that an investigative consumer report is needed to process your application, HawaiiUSA Federal Credit Union will notify you within three (3) days after the investigative consumer report is requested.

If the information obtained from a consumer report causes HawaiiUSA Federal Credit Union to deny or increase the charge with respect to your loan application, HawaiiUSA Federal Credit Union will supply the name, address and telephone number of the consumer reporting agency which made the report. If you request information from the consumer reporting agency within thirty (30) days of being notified by HawaiiUSA Federal Credit Union, the consumer reporting agency must provide to you, without charge: (1) the nature and substance of all information, other than medical information in its files at the time of HawaiiUSA Federal Credit Union's request; (2) the sources of the information, except information solely acquired and used for an investigative consumer report; and (3) the recipients of the consumer report within a six-month period preceding your request. Should you request

information from the consumer reporting agency after thirty (30) days, the agency may impose a reasonable charge for the disclosure. If HawaiiUSA Federal Credit Union denies or increases the charge for your loan application because of information obtained from a source other than a consumer reporting agency, HawaiiUSA Federal Credit Union must disclose the nature of the information within a reasonable time after your request. Your request must be received by HawaiiUSA Federal Credit Union within sixty (60) days after learning of the denial or increase in the charge of your loan application.

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## **FAIR AND ACCURATE CREDIT TRANSACTIONS (FACT) ACT**

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Notice of Negative Information. 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.

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## **EQUAL CREDIT OPPORTUNITY**

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The Federal Equal Credit Opportunity Act (15 U.S.C. SS1691 et seq.) prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicants income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning HawaiiUSA Federal Credit Union is the The Federal agency that administers compliance with this law concerning this credit union is REGION VI (PACIFIC), Regional Director, Region VI (PACIFIC) NCUA, 1230 W. Washington Street, Suite 301, Tempe, AZ 85281 (Alaska, American Samoa, California, Guam, Hawaii, Idaho, Montana, Nevada, Oregon, Washington).

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## **FAIR LENDING ACT NOTICE**

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Fair Lending Act Notice based on the Housing Financial Discrimination Act of 1977.

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe or unsound business practice; or
2. Race, color, religion, sex, marital status, national origin or ancestry.  
It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change or is expected to undergo change, in appraising a housing accommodation or in determining whether or not or under what terms and conditions to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one to four unit family residences occupied by the owner and for the purpose of the home improvement of any one to four unit family residence.

If you have questions about your rights or if you wish to file a complaint, contact the management of this financial institution or: National Credit Union Administration, Office of Examination and Insurance, Alexandria, VA 22314-3428.

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## **APPLICANT'S AUTHORIZATION AND ACKNOWLEDGMENT**

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The applicant agrees to and/or acknowledges the following matters:

1. Applicant authorizes HawaiiUSA Federal Credit Union to process the Loan Application and to incur expenses and fees for appraisal, credit report, Federal National Mortgage Association fee (if applicable) and other items normally required for processing a real estate mortgage loan application. Applicant agrees to pay or reimburse HawaiiUSA Federal Credit Union for such expenses and fees for any "rush" charges incurred to expedite the processing of Applicant's Loan Application.
2. Subject to applicable laws, all fee(s) or deposit(s) which applicant has delivered or paid to HawaiiUSA Federal Credit Union for processing of the Loan Application or for the Mortgage Loan, are not refundable.
3. Interest charges on this loan will begin on the date that HawaiiUSA Federal Credit Union disburses the loan proceeds rather than the date of recordation of the loan documents evidencing this real property transaction.
4. Applicant intends to apply for  Individual  Joint Credit.
5. Applicant has read this document.

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Signature of Applicant

Date

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Signature of Applicant

Date



# E-Sign Act Consumer Disclosure

## Consent to Electronic Records

Loan Number: \_\_\_\_\_  
Applicant(s) Name: \_\_\_\_\_  
Property Address: \_\_\_\_\_

By signing this disclosure, you agree to accept all applicable disclosures associated with this loan application in an electronic form, including, but not limited to, disclosures required by the Truth in Lending Act, Real Estate Settlement Procedures Act and Equal Credit Opportunity Act.

You may withdraw your consent at any time, or request paper copies of all disclosures at no cost by sending an email to [\\_approvalcenter@hawaiiusafcu.com](mailto:_approvalcenter@hawaiiusafcu.com) or calling us at (808) 534-4300. Paper copies will be provided for certain real estate related transactions after your loan application is received.

### System Requirements

To receive the disclosures by email you will need to have access to the Internet using a browser that supports 128-bit encryption. You will also need Adobe Acrobat Reader version 7.0 or greater to open the attachments. You may obtain Adobe Acrobat Reader at [adobe.com](http://adobe.com). You should use the functions in your browser or Adobe to save and print the disclosures.

I consent to receive the disclosures for this home equity line of credit application in an electronic form and confirm that I am able to access and print the disclosures.

\_\_\_\_\_  
Signature of Applicant                      Date

\_\_\_\_\_  
Signature of Applicant                      Date

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Email Address



# What you should know about home equity lines of credit

This booklet was initially prepared by the Board of Governors of the Federal Reserve System. The Consumer Financial Protection Bureau (CFPB) has made technical updates to the booklet to reflect new mortgage rules under Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). A larger update of this booklet is planned in the future to reflect other changes under the Dodd-Frank Act and to align with other CFPB resources and tools for consumers as part of the CFPB's broader mission to educate consumers. Consumers are encouraged to visit the CFPB's website at [consumerfinance.gov/owning-a-home](http://consumerfinance.gov/owning-a-home) to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

# Table of contents

<b>Table of contents</b> .....	<b>3</b>
<b>1. Introduction</b> .....	<b>4</b>
1.1 Home equity plan checklist .....	4
<b>2. What is a home equity line of credit?</b> .....	<b>6</b>
2.1 What should you look for when shopping for a plan? .....	7
2.2 Costs of establishing and maintaining a home equity line .....	8
2.3 How will you repay your home equity plan?.....	9
2.4 Line of credit vs. traditional second mortgage loans .....	10
2.5 What if the lender freezes or reduces your line of credit? .....	11
<b>Appendix A:</b> .....	<b>12</b>
Defined terms .....	12
<b>Appendix B:</b> .....	<b>15</b>
More information .....	15
<b>Appendix C:</b> .....	<b>16</b>
Contact information .....	16

# 1. Introduction

If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

## 1.1 Home equity plan checklist

Ask your lender to help you fill out this worksheet.

Basic features for comparison	Plan A	Plan B
Fixed annual percentage rate	%	%
Variable annual percentage rate	%	%
<input type="checkbox"/> Index used and current value	%	%
<input type="checkbox"/> Amount of margin		
<input type="checkbox"/> Frequency of rate adjustments		
<input type="checkbox"/> Amount/length of discount (if any)		
<input type="checkbox"/> Interest rate cap and floor		
Length of plan		
Draw period		

Basic features for comparison (continued)	Plan A	Plan B
Repayment period		
Initial fees		
Appraisal fee		
Application fee		
Up-front charges, including points		
Closing costs		
Repayment terms		
During the draw period		
Interest and principal payments		
Interest-only payments		
Fully amortizing payments		
When the draw period ends		
Balloon payment?		
Renewal available?		
Refinancing of balance by lender?		

## 2. What is a home equity line of credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because a home often is a consumer's most valuable asset, many homeowners use home equity credit lines only for major items, such as education, home improvements, or medical bills, and choose not to use them for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (say, 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

Appraised value of home	\$100,000
Percentage	x 75%
Percentage of appraised value	= \$75,000
Less balance owed on mortgage	– \$40,000
<b>Potential line of credit</b>	<b>\$35,000</b>

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest) by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan

does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the “repayment period”), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line.

There may be other limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, \$300) or keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

## 2.1 What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember, though, that the APR for a home equity line is based on the interest rate alone and will not reflect closing costs and other fees and charges, so you’ll need to compare these costs, as well as the APRs, among lenders.

### 2.1.1 Variable interest rates

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time, plus a “margin,” such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an “introductory” rate that is unusually low for a short period, such as six months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or let you convert all or a portion of your line to a fixed-term installment loan.

## 2.2 Costs of establishing and maintaining a home equity line

Many of the costs of setting up a home equity line of credit are similar to those you pay when you get a mortgage. For example:

- A fee for a property appraisal to estimate the value of your home;
- An application fee, which may not be refunded if you are turned down for credit;
- Up-front charges, such as one or more “points” (one point equals 1 percent of the credit limit); and
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. And if you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender’s risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all of the closing costs.

## 2.3 How will you repay your home equity plan?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But, unlike with typical installment loan agreements, the portion of your payment that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of only the interest during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that amount when the payment plan ends.

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. However, some lenders may require you to pay special fees or penalties if you choose to pay more, so check with your lender. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan—whether you pay some, a little, or none of the principal amount of the loan—when the plan ends, you may have to pay the entire balance owed, all at once. You must be prepared to make this “balloon payment” by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10 percent interest rate, your monthly payments would be \$83. If the rate rises over time to 15 percent, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to sell your home in the near future, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also keep in mind that renting your home may be prohibited under the terms of your agreement.

## 2.4 Line of credit vs. traditional second mortgage loans

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money, repayable over a fixed period. In most cases, the payment schedule calls for equal payments that pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan takes into account the interest rate charged plus points and other finance charges.
- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.

### 2.4.1 Disclosures from lenders

The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable-rate feature) changes before the plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change. Lenders are also required to provide you with a list of homeownership counseling organizations in your area.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you three days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the three-day period. The lender must

then cancel its security interest in your home and return all fees— including any application and appraisal fees—paid to open the account.

The Home Ownership and Equity Protection Act of 1994 (HOEPA) addresses certain unfair practices and establishes requirements for certain loans with high rates and fees, including certain additional disclosures. HOEPA now covers some HELOCs. You can find out more information by contacting the CFPB at the website address and phone number listed in the Contact information appendix, below.

## 2.5 What if the lender freezes or reduces your line of credit?

Plans generally permit lenders to freeze or reduce a credit line if the value of the home “declines significantly” or when the lender “reasonably believes” that you will be unable to make your payments due to a “material change” in your financial circumstances. If this happens, you may want to:

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a “material change” in your financial circumstances. You may want to get copies of your credit reports (go to the CFPB’s website at [consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html](https://consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html) for information about how to get free copies of your credit reports) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.
- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. If another lender is willing to offer you a line of credit, you may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

## APPENDIX A:

# Defined terms

This glossary provides general definitions for terms commonly used in the real estate market. They may have different legal meanings depending on the context.

### DEFINED TERM

<b>ANNUAL MEMBERSHIP OR MAINTENANCE FEE</b>	An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.
<b>ANNUAL PERCENTAGE RATE (APR)</b>	The cost of credit, expressed as a yearly rate. 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.
<b>APPLICATION FEE</b>	Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.
<b>BALLOON PAYMENT</b>	A large extra payment that may be charged at the end of a mortgage loan or lease.
<b>CAP (INTEREST RATE)</b>	A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. <i>Periodic adjustment caps</i> limit the interest-rate increase from one adjustment period to the next. <i>Lifetime caps</i> limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

<b>CLOSING OR SETTLEMENT COSTS</b>	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, and settlement documents; attorneys' fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or a range.
<b>CREDIT LIMIT</b>	The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.
<b>EQUITY</b>	The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.
<b>INDEX</b>	The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. See also Selected index rates for ARMs over an 11-year period ( <a href="https://consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf">consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf</a> ) for examples of common indexes that have changed in the past.
<b>INTEREST RATE</b>	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 rate.
<b>MARGIN</b>	The number of percentage points the lender adds to the index rate to calculate the adjustable-rate-mortgage interest rate at each adjustment.
<b>MINIMUM PAYMENT</b>	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.

<b>POINTS (ALSO CALLED DISCOUNT POINTS)</b>	One point is equal to 1 percent of the principal amount of a 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 the total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.
<b>SECURITY INTEREST</b>	If stated in your credit agreement, a creditor, lessor, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement. The property that secures payment of your obligation is referred to as "collateral."
<b>TRANSACTION FEE</b>	Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.
<b>VARIABLE RATE</b>	An interest rate that changes periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

## APPENDIX B:

### More information

For more information about mortgages, including home equity lines of credit, visit [consumerfinance.gov/mortgage](http://consumerfinance.gov/mortgage). For answers to questions about mortgages and other financial topics, visit [consumerfinance.gov/askcfpb](http://consumerfinance.gov/askcfpb). You may also visit the CFPB's website at [consumerfinance.gov/owning-a-home](http://consumerfinance.gov/owning-a-home) to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

Housing counselors can be very helpful, especially for first-time home buyers or if you're having trouble paying your mortgage. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search for HUD-approved housing counseling agencies in your area on the CFPB's web site at [consumerfinance.gov/find-a-housing-counselor](http://consumerfinance.gov/find-a-housing-counselor) or by calling HUD's interactive toll-free number at 800-569-4287.

The company that collects your mortgage payments is your loan servicer. This may not be the same company as your lender. If you have concerns about how your loan is being serviced or another aspect of your mortgage, you may wish to submit a complaint to the CFPB at [consumerfinance.gov/complaint](http://consumerfinance.gov/complaint) or by calling (855) 411-CFPB (2372).

When you submit a complaint to the CFPB, the CFPB will forward your complaint to the company and work to get a response. Companies have 15 days to respond to you and the CFPB. You can review the company's response and give feedback to the CFPB.

## APPENDIX C:

### Contact information

For additional information or to submit a complaint, you can contact the CFPB or one of the other federal agencies listed below, depending on the type of institution. If you are not sure which agency to contact, you can submit a complaint to the CFPB and if the CFPB determines that another agency would be better able to assist you, the CFPB will refer your complaint to that agency and let you know.

Regulatory agency	Regulated entities	Contact information
<b>Consumer Financial Protection Bureau (CFPB)</b> P.O. Box 4503 Iowa City, IA 52244	Insured depository institutions and credit unions with assets greater than \$10 billion (and their affiliates), and non-bank providers of consumer financial products and services, including mortgages, credit cards, debt collection, consumer reports, prepaid cards, private education loans, and payday lending	(855) 411-CFPB (2372) <a href="http://consumerfinance.gov">consumerfinance.gov</a> <a href="http://consumerfinance.gov/complaint">consumerfinance.gov/complaint</a>
<b>Board of Governors of the Federal Reserve System (FRB)</b> Consumer Help P.O. Box 1200 Minneapolis, MN 55480	Federally insured state-chartered bank members of the Federal Reserve System	(888) 851-1920 <a href="http://federalreserveconsumerhelp.gov">federalreserveconsumerhelp.gov</a>



Regulatory agency	Regulated entities	Contact information
<b>Office of the Comptroller of the Currency (OCC)</b> Customer Assistance Group 1301 McKinney Street Suite 3450 Houston, TX 77010	National banks and federally chartered savings banks/associations	(800) 613-6743 <a href="http://occ.treas.gov">occ.treas.gov</a> <a href="http://helpwithmybank.gov">helpwithmybank.gov</a>
<b>Federal Deposit Insurance Corporation (FDIC)</b> Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106	Federally insured state-chartered banks that are not members of the Federal Reserve System	(877) ASK-FDIC or (877) 275-3342 <a href="http://fdic.gov">fdic.gov</a> <a href="http://fdic.gov/consumers">fdic.gov/consumers</a>
<b>Federal Housing Finance Agency (FHFA) Consumer Communications</b> Constitution Center 400 7th Street, S.W. Washington, DC 20024	Fannie Mae, Freddie Mac, and the Federal Home Loan Banks	Consumer Helpline (202) 649-3811 <a href="http://fhfa.gov">fhfa.gov</a> <a href="http://fhfa.gov/Default.aspx?Page=369">fhfa.gov/Default.aspx?Page=369</a> <a href="mailto:ConsumerHelp@fhfa.gov">ConsumerHelp@fhfa.gov</a>
<b>National Credit Union Administration (NCUA)</b> Consumer Assistance 1775 Duke Street Alexandria, VA 22314	Federally chartered credit unions	(800) 755-1030 <a href="http://ncua.gov">ncua.gov</a> <a href="http://mycreditunion.gov">mycreditunion.gov</a>
<b>Federal Trade Commission (FTC)</b> Consumer Response Center 600 Pennsylvania Ave, N.W. Washington, DC 20580	Finance companies, retail stores, auto dealers, mortgage companies and other lenders, and credit bureaus	(877) FTC-HELP or (877) 382-4357 <a href="http://ftc.gov">ftc.gov</a> <a href="http://ftc.gov/bcp">ftc.gov/bcp</a>

Regulatory agency	Regulated entities	Contact information
<b>Securities and Exchange Commission (SEC)</b> Complaint Center 100 F Street, N.E. Washington, DC 20549	Brokerage firms, mutual fund companies, and investment advisers	(202) 551-6551 <a href="http://sec.gov">sec.gov</a> <a href="http://sec.gov/complaint/select.shtml">sec.gov/complaint/select.shtml</a>
<b>Farm Credit Administration Office of Congressional and Public Affairs</b> 1501 Farm Credit Drive McLean, VA 22102	Agricultural lenders	(703) 883-4056 <a href="http://fca.gov">fca.gov</a>
<b>Small Business Administration (SBA) Consumer Affairs</b> 409 3 <sup>rd</sup> Street, S.W. Washington, DC 20416	Small business lenders	(800) U-ASK-SBA or (800) 827-5722 <a href="http://sba.gov">sba.gov</a>
<b>Commodity Futures Trading Commission (CFTC)</b> 1155 21 <sup>st</sup> Street, N.W. Washington, DC 20581	Commodity brokers, commodity trading advisers, commodity pools, and introducing brokers	(866) 366-2382 <a href="http://cftc.gov/ConsumerProtection/index.htm">cftc.gov/ConsumerProtection/index.htm</a>

Regulatory agency	Regulated entities	Contact information
<p><b>U.S. Department of Justice (DOJ)</b>            Civil Rights Division            950 Pennsylvania Ave, N.W.            Housing and Civil Enforcement Section            Washington DC 20530</p>	<p>Fair lending and housing issues</p>	<p>(202) 514-4713            TTY-(202) 305-1882            FAX-(202) 514-1116            To report an incident of housing discrimination:            1-800-896-7743  <a href="mailto:fairhousing@usdoj.gov">fairhousing@usdoj.gov</a></p>
<p><b>Department of Housing and Urban Development (HUD)</b> Office of Fair Housing/Equal Opportunity            451 7<sup>th</sup> Street, S.W.            Washington, DC 20410</p>	<p>Fair lending and housing issues</p>	<p>(800) 669-9777  <a href="http://hud.gov/complaints">hud.gov/complaints</a></p>

## Homeownership Counselor Contact Information

The counseling agencies on the attached list are approved by the U.S. Department of Housing and Urban Development (HUD), and they can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on your objectives and circumstances, often at little or no cost to you. This list shows you several approved agencies in your area.

You can find other approved counseling agencies at the Consumer Financial Protection Bureau's (CFPB) website:

[consumerfinance.gov/mortgage help](http://consumerfinance.gov/mortgage-help) or by calling 1-855-411-CFPB (2372).

You can also access a list of nationwide HUD approved counseling intermediaries at:

[http://portal.hud.gov/hudportal/HUD?src=/ohc\\_nint](http://portal.hud.gov/hudportal/HUD?src=/ohc_nint)

Attached, please find a list of the Homeownership Counseling organizations in Hawaii. I acknowledge receipt of the written list of Homeownership Counseling organizations:

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

Name: \_\_\_\_\_

# Housing counselors near you



## 10 CLOSEST RESULTS TO ZIP CODE 96817

The counseling agencies on this list are approved by the U.S. Department of Housing and Urban Development (HUD), and they can offer independent advice about whether a particular set of mortgage loan terms is a good fit based on your objectives and circumstances, often at little or no cost to you. This list shows you several approved agencies in your area. You can find other approved counseling agencies at the Consumer Financial Protection Bureau's (CFPB) website: [consumerfinance.gov/mortgagehelp](http://consumerfinance.gov/mortgagehelp) or by calling 1-855-411-CFPB (2372). You can also access a list of nationwide HUD-approved counseling intermediaries at [http://portal.hud.gov/hudportal/HUD?src=/ohc\\_nint](http://portal.hud.gov/hudportal/HUD?src=/ohc_nint)

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|---|--------------------------------------|
| <p><b>1. Hawaiian Community Assets, Inc</b><br/>200 N. Vineyard Blvd, Suite A300 Honolulu, HI 96817-3950</p> <p><b>Website:</b> <a href="http://www.hawaiiancommunity.net/">http://www.hawaiiancommunity.net/</a></p> <p><b>Phone:</b> 808-587-7886</p> <p><b>Email Address:</b> <a href="mailto:info@hawaiiancommunity.net">info@hawaiiancommunity.net</a></p> <p><b>Languages:</b><br/>English, Portuguese, Spanish, Other</p> <p><b>Services:</b><br/>Mortgage Delinquency and Default Resolution Course   Financial Management/<br/>Budget Counseling   Services for Homeless Counseling   Non-Delinquency Post<br/>Purchase Workshops   Pre-purchase Counseling   Pre-purchase Homebuyer<br/>Education Workshops   Rental Housing Counseling</p> | <p><b>Distance</b><br/>2.3 miles</p> |
|---|--------------------------------------|

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- |   |                                      |
|---|--------------------------------------|
| <p><b>2. Hawaii Homeownership Center</b><br/>1259 Aala Street Suite 201 Honolulu, HI 96817-3962</p> <p><b>Website:</b> <a href="http://www.hihomeownership.org">http://www.hihomeownership.org</a></p> <p><b>Phone:</b> 808-523-9500</p> <p><b>Email Address:</b> <a href="mailto:info@hihomeownership.org">info@hihomeownership.org</a></p> <p><b>Languages:</b><br/>English</p> <p><b>Services:</b><br/>Mortgage Delinquency and Default Resolution Course   Financial Management/<br/>Budget Counseling   Home Improvement and Rehabilitation Counseling   Non-<br/>Delinquency Post Purchase Workshops   Pre-purchase Counseling   Pre-purchase<br/>Homebuyer Education Workshops</p> | <p><b>Distance</b><br/>2.4 miles</p> |
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3. **Institute for Human Services, Inc. (Ihs)** **Distance**  
2.5 miles  
546 Ka'aahi Street Honolulu, HI 96817-4630  
**Website:** <http://www.ihs-hawaii.org>  
**Phone:** 808-447-2900  
**Email Address:** [MindaG@ihs-hawaii.org](mailto:MindaG@ihs-hawaii.org)  
**Languages:**  
English  
**Services:**  
Fair Housing Pre-Purchase Education Workshops | Services for Homeless  
Counseling | Rental Housing Counseling
- 
4. **Ihs, the Institute for Human Services, Inc.** **Distance**  
2.7 miles  
350 Sumner Street Honolulu, HI 96817-5088  
**Website:** <http://www.ihs-hawaii.org>  
**Phone:** 808-447-2900  
**Email Address:** [MindaG@ihs-hawaii.org](mailto:MindaG@ihs-hawaii.org)  
**Languages:**  
English  
**Services:**  
Fair Housing Pre-Purchase Education Workshops | Services for Homeless  
Counseling | Rental Housing Counseling
- 
5. **Self-Help Housing Corporation of Hawaii** **Distance**  
2.7 miles  
1427 Dillingham Blvd Suite 305  
Suite 305 Honolulu, HI 96817-4875  
**Website:** Not available  
**Phone:** 808-842-7111  
**Email Address:** [selfhelphawaii@gmail.com](mailto:selfhelphawaii@gmail.com)  
**Languages:**  
English, Other  
**Services:**  
Mortgage Delinquency and Default Resolution Course | Financial Management/  
Budget Counseling | Non-Delinquency Post Purchase Workshops | Pre-purchase  
Counseling | Pre-purchase Homebuyer Education Workshops | Rental Housing  
Counseling
-

6. **Legal Aid Society of Hawaii** **Distance**  
2.8 miles  
924 Bethel Street Honolulu, HI 96813-4304  
**Website:** <http://www.legalaidhawaii.org>  
**Phone:** 808-536-4302  
**Email Address:** Not available  
**Languages:**  
English  
**Services:**  
Mortgage Delinquency and Default Resolution Course | Pre-purchase Counseling  
| Rental Housing Counseling
- 
7. **Legal Aid Society of Hawaii** **Distance**  
7.9 miles  
47-200 Waihee Rd Ste 104 Kaneohe, HI 96744-4947  
**Website:** Not available  
**Phone:** 800-499-4302  
**Email Address:** Not available  
**Languages:**  
English  
**Services:**  
Mortgage Delinquency and Default Resolution Course | Financial Management/  
Budget Counseling | Fair Housing Pre-Purchase Education Workshops | Home  
Improvement and Rehabilitation Counseling | Services for Homeless Counseling |  
Non-Delinquency Post Purchase Workshops | Predatory Lending Education  
Workshops | Pre-purchase Counseling | Pre-purchase Homebuyer Education  
Workshops | Rental Housing Counseling
- 
8. **Council for Native Hawaiian Advancement** **Distance**  
16.3 miles  
2149 Lauwiliwili Street Suite 200 Kapolei, HI 96707-1844  
**Website:** <http://www.hawaiiancouncil.org>  
**Phone:** 808-596-8155  
**Email Address:** [info@hawaiiancouncil.org](mailto:info@hawaiiancouncil.org)  
**Languages:**  
English, Other  
**Services:**  
Financial Management/Budget Counseling | Home Improvement and  
Rehabilitation Counseling
-

9. **Legal Aid Society of Hawaii** **Distance**  
23.8 miles  
85-670 Farrington Hwy Ste A Waianae, HI 96792-2407

**Website:** Not available

**Phone:** 800-499-4302

**Email Address:** Not available

**Languages:**  
English

**Services:**  
Mortgage Delinquency and Default Resolution Course | Financial Management/  
Budget Counseling | Fair Housing Pre-Purchase Education Workshops | Home  
Improvement and Rehabilitation Counseling | Services for Homeless Counseling |  
Non-Delinquency Post Purchase Workshops | Predatory Lending Education  
Workshops | Pre-purchase Counseling | Pre-purchase Homebuyer Education  
Workshops | Rental Housing Counseling

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10. **Legal Aid Society of Hawaii** **Distance**  
91.5 miles  
2287 Main St Wailuku, HI 96793-1655

**Website:** Not available

**Phone:** 800-499-4302

**Email Address:** Not available

**Languages:**  
English

**Services:**  
Mortgage Delinquency and Default Resolution Course | Fair Housing Pre-  
Purchase Education Workshops | Home Improvement and Rehabilitation  
Counseling | Services for Homeless Counseling | Non-Delinquency Post Purchase  
Workshops | Predatory Lending Education Workshops | Pre-purchase Counseling |  
Pre-purchase Homebuyer Education Workshops | Rental Housing Counseling

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