

HOME EQUITY PRODUCT OVERVIEW

Thank you for expressing interest in Democracy Federal Credit Union's Home Equity Loan Program. Democracy Federal Credit Union offers both closed end Home Equity Loans (HELOAN), and open-ended or revolving Home Equity Line of Credit (HELOC).

Home Equity Products are offered to borrowers with residences in the following states: District of Columbia, Virginia, West Virginia, Maryland, Delaware, North Carolina, New Jersey and Pennsylvania.

Home Equity Loans and Home Equity Lines of Credit are offered with a minimum loan amount of \$10,000.00 and a maximum loan amount of \$250,000.00. An initial advance of \$10,000.00 is required on the Home Equity Line of Credit at the time of disbursement. Consult your tax advisor regarding interest deductibility.

Home Equity Loans - Fixed Rate, Fixed Term

Fixed Rate Home Equity loans are offered on Primary residences only.

Five-Year Easy Equity Loan Amount Up to \$50,000

3.75% APR Up to 85% LTV

Fixed Home Equity Loan Rates and Terms with amounts Up to \$250,000

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| 7 years | 5.00% APR | Up to 85% LTV |
| 10 years | 5.50% APR | Up to 85% LTV |
| 15 years | 6.50% APR | Up to 85% LTV |

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|----------|-----------|---------------|
| 10 years | 4.50% APR | Up to 80% LTV |
| 15 years | 5.00% APR | Up to 80% LTV |

Home Equity Line of Credit (HELOC)

HELOC rates are variable and are linked with the Prime Rate which is published in the Wall Street Journal. These rates are subject to change on a quarterly basis and will be published on the 1st of January, April, July and October. The maximum rate that can be charged on HELOC loans is 18%. The draw period is 10 years and the repayment period is 15 years. The monthly repayment during the draw period is 1.5% of the outstanding balance at the end of the month.

Terms

- Democracy Federal Credit Union must be able to secure a first or second lien on the property.
- The credit line amount, minus any outstanding first trust balance owed cannot exceed 85% of the property's appraised value.