

## Home Equity Line of Credit Disclosure & Product Overview

Financial Freedom **for ALL.**<sup>®</sup>

Democracy Federal Credit Union's Home Equity Lines of Credit are offered to borrowers with primary residences in the following states: District of Columbia, Virginia, West Virginia, Maryland, Delaware, North Carolina, New Jersey and Pennsylvania.

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 a Home Equity Line of Credit at the time of funding.

**Home Equity Line of Credit (HELOC):** Home Equity Lines of Credit are offered on Primary residences only. (Refer to Lending Rates on the website for current rates.)

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 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 month. The minimum advance amount during the draw period is \$250.00.

**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. The Credit Union will pay the closing cost; however, the loan must remain open for a minimum of 36 months. If the loan is closed prior to the 36 months, the closing cost will be added to the payoff balance.

**Tax deductibility:** Please consult your tax advisor regarding interest deductibility.

### SUBMITTING AN APPLICATION

You may submit an application to us by completing the application and scanning and emailing it to [mortgages@democracyfcu.org](mailto:mortgages@democracyfcu.org), or faxing it to (571)527-2333, or mailing to Democracy Federal Credit Union, Attention: Mortgage Department, 3rd floor, 400 N Columbus Street, Alexandria, Va. 22314

You will receive a response to your application within three business days of our receipt of the application. You will then receive an initial disclosure package which will include the estimate of closing cost. For a limited time we will be paying closing cost on the Home Equity Lines of Credit. However, the appraisal cost will be required at time of application, to be held in your share account with Democracy Federal Credit Union. If we are unable to proceed with the loan based on the appraisal the funds on hold will be used for credited to the appraisal cost. You will receive any additional information on the closing cost with your initial disclosure package. You may contact a Home Equity/ Mortgage Loan Officers by sending an email to [mortgages@democracyfcu.org](mailto:mortgages@democracyfcu.org) or calling (703)647-7065.