



3600 Wake Forest Road | Raleigh NC, 27609

Home Equity Addendum

This Addendum is incorporated into and becomes a part of your Open-End Home Equity Credit Agreement and Truth in Lending Disclosure.

OPENING DATE	MATURITY DATE	CREDIT LIMIT	ACCOUNT NUMBER
LENDER Civic Federal Credit Union			
BORROWER NAME AND ADDRESS		ADDRESS OF PROPERTY SECURING ACCOUNT	

DRAW PERIOD VARIABLE RATE INFORMATION:

INDEX RATE	MARGIN ADDED TO INDEX	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
%	%	%	%

SCHEDULE OF CLOSING COSTS:

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$

PAYMENT INFORMATION: You can obtain credit advances for 15 years. This period is called the "draw period." At our option, we may renew or extend the draw period. The length of the repayment period will be 10 years. You will be required to make payments during both the draw and repayment periods. Your payment during the draw period will be 1.5% of the outstanding balance each month or \$50.00, whichever is greater. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. At the beginning of the repayment period we will recalculate your payment. Your payment will be set to repay the balance at the current annual percentage rate over 10 years. Your payment during the repayment period will never be less than the smaller of \$50.00 or the full amount that you owe. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE: This plan has a variable rate during the draw period. We will determine the periodic rate and the corresponding annual percentage rate during the draw period as follows. We start with an independent index, (the "Index"), which is *The Wall Street Journal Prime Rate*. When a range of rates has been published, the highest rate will be used. We will use the most recent index value available to us as of 10 days before the date of any annual percentage rate adjustment. To determine the periodic rate that will apply to your account, we add a margin, as disclosed above, to the value of the Index. Then we divide this sum by the number of days in a year (365). To obtain the annual percentage rate we will multiply the periodic rate by the number of days in a year (365). This result is the annual percentage rate. The annual percentage rate can change quarterly on the first day of January, April, July and October.

There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the draw and repayment periods is 18.0% or the maximum permitted by law, whichever is less. A fixed annual percentage rate will be used for the repayment period of the plan. The fixed annual percentage rate includes interest and no other costs. The fixed periodic rate and annual percentage rate during the repayment period will be established at the beginning of the repayment period and will be based on *The Wall Street Journal Prime Rate* (when a range of rates has been published the highest rate will be used), plus a margin of 1%. To determine the fixed periodic rate, divide this sum by the number of days in a year (365).

OTHER CHARGES:

Late Charges: If your payment is more than 15 days late we may charge you \$10.00.

COLLECTION COSTS:

For Borrowers in GA: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. If collected by or through an attorney, you promise to pay attorney's fees not to exceed 15% of the principal and interest owing as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings. If not prohibited by applicable law you will also pay any court costs.

For Borrowers in SC: You promise to pay, subject to any limits under the South Carolina Consumer Protection Code, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees not to exceed 15% of

the unpaid debt upon referral to any attorney who is not our salaried employee, as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings. If not prohibited by applicable law you will also pay any court costs.

For Borrowers in NC, VA : You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

SHAREDRAFT ACCESS: We may authorize you to obtain credit advances by writing sharedrafts on your home equity account. We reserve the right not to honor a sharedraft in the following circumstances:

- (a) Your Credit Limit has been or would be exceeded by paying the sharedraft.
- (b) Your sharedraft is post-dated. If a post-dated sharedraft is paid and as a result any other check is returned or not paid, we are not responsible.

- (c) Your sharedrafts have been reported lost or stolen. You should notify us at once if your sharedrafts are lost or stolen.
- (d) Your sharedraft is not signed by an "Authorized Signer", which means a person who signed this Agreement, or has signed a separate signature card for the account.
- (e) Your account has been terminated or suspended as provided in this Agreement.
- (f) The amount of your sharedraft is less than the minimum amount required by this Agreement or you are in violation of any other transaction requirement.

If we pay any sharedraft under these conditions, you must repay us for the amount of the sharedraft and any charges permitted by law. The sharedraft itself will be evidence of your debt to us together with this Agreement. Our liability, if any, for wrongful dishonor of a sharedraft is limited to your actual damages. Dishonor for any reason as provided in the Agreement is not wrongful dishonor. We may not return the sharedrafts along with your periodic statements; however, your use of a sharedraft will be reflected on your periodic statement as a credit advance. We do not "certify" sharedrafts drawn on your account.