Hawaii Central Federal Credit Union
681 S. King Street
Honolulu, HI 96813

HOME EQUITY EARLY DISCLOSURE
IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLANS

This disclosure contains important information about our Home Equity Line of Credit Plans. 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.

HOME EQUITY PLANS: We offer two plans and the information in this disclosure applies to both of them unless it is specifically indicated that it applies to one or the other of them. The difference between them depends on the loan to value ratio (LTV) and whether the property is occupied by the owner.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 15 years. This period is called the "draw period." After the draw period ends the repayment period will begin. The length of the repayment period will be 15 years. You will be required to make monthly payments during both the draw and repayment periods. Your minimum monthly payment will be an amortization of the outstanding balance at the current annual percentage rate, over the shorter of 30 years or the number of months remaining to the maturity. We will recalculate your payment at the time of a credit request and at the time of an interest rate change. If the interest rate increases your monthly payment will increase. Your payment will be rounded up to the nearest $10.00 and 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 $100.00, or the full amount that you owe.

MINIMUM PAYMENT EXAMPLES:
Owner Occupancy (Less than 80% LTV):
If you made only the minimum monthly payment and took no other credit advances it would take 10 years 6 months to pay off a credit advance of $10,000 at an ANNUAL PERCENTAGE RATE of 4.5%. During that period, you would make 125 payments of $100.00 and one (1) final payment of $58.78.

Owner Occupied (over 80% LTV): If you made only the minimum monthly payment and took no other credit advances it would take 11 years 3 months to pay off a credit advance of $10,000 at an ANNUAL PERCENTAGE RATE of 5.5%. During that period, you would make 134 payments of $100.00 and one (1) final payment of $10.19.
Non-Owner Occupancy (up to75% LTV): If you made only the minimum monthly payment and took no other credit advances it would take 12 years 1 month to pay off a credit advance of $10,000 at an ANNUAL PERCENTAGE RATE of 6.5%. During that period, you would make 144 payments of $100.00 and one (1) final payment of $45.90.

FEES AND CHARGES: You must pay certain fees to third parties to open the plan. These fees generally total between $0.00 and $1,800.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

FEE REIMBURSEMENT: We may pay third party costs on your behalf. If we do, you will be liable to reimburse us if you close the plan within the first 12 months.

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 $10,000.00 for the first advance and $500.00 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: These plans have 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 Prime Rate published in the Money Rates column of the Wall Street Journal. 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 45 days before the date of any annual percentage rate adjustment.
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 .125%.
The initial annual percentage rate is "discounted" - it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for a minimum of 12 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 January, April, July and October after the expiration of any discount period. The rate cannot increase or decrease more than 2.0 percentage point in any one year period. 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 18.00% or the maximum permitted by law, whichever is less. However, under no circumstances will your ANNUAL PERCENTAGE RATE go below 4.50% at any time during the term of the plan for Owner Occupied properties with up to 80% LTV and go below 5.50% for Owner Occupied properties with over 80% LTV. Your ANNUAL PERCENTAGE RATE will not go below 6.50% for Non-Owner Occupied properties with up to 75% LTV.

MAXIMUM RATE AND PAYMENT EXAMPLES
Owner Occupancy with up to 80% LTV: If you had an outstanding balance of $10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE

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of 18.00% would be $160.00. This annual percentage rate could be reached at the time of the 73rd payment.

Owner Occupancy with over 80% LTV: If you had an outstanding balance of $10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.00% would be $160.00. This annual percentage rate could be reached at the time of the 73rd payment.

Non-Owner Occupancy with up to 75% LTV: If you had an outstanding balance of $10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.00% would be $160.00. This annual percentage rate could be reached at the time of the 61st payment.

HISTORICAL EXAMPLE: The following tables show 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 last business day of July of each year. While only one payment per year is shown, payments may have varied during each year. The tables assume 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.

WALL STREET JOURNAL PRIME RATE INDEX TABLE
OWNER OCCUPIED PROPERTIES (up to 80% LTV)

Year (as of the last business day of July)	Index (Percent)	Margin(1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1998	8.500	1.00	3.875(2)	100.00(5)
1999	8.000	1.00	9.000	100.00(5)
2000	9.500	1.00	10.500	100.00(5)
2001	6.750	1.00	8.500(3)	100.00(5)
2002	4.750	1.00	6.500(3)	100.00(5)
2003	4.000	1.00	5.000	100.00(5)
2004	4.250	1.00	5.250	100.00(5)
2005	6.250	1.00	7.250	100.00(5)
2006	8.250	1.00	9.250	100.00(5)
2007	8.250	1.00	9.250	100.00(5)
2008	5.000	1.00	7.250(3)	100.00(5)
2009	3.250	1.00	5.250(3)	100.00(5)
2010	3.250	1.00	4.500(4)	100.00(5)
2011	3.250	1.00	4.500(4)	
2012	3.250	1.00	4.500(4)	

(1) This is a margin we have used recently; your margin may be different.
(2) This ANNUAL PERCENTAGE RATE reflects a discount that we have provided recently; your plan may be discounted by a different amount.
(3) This ANNUAL PERCENTAGE RATE reflects an annual percentage rate periodic cap of 2.000% per year.
(4) This ANNUAL PERCENTAGE RATE reflects a 4.500% floor.
(5) This payment reflects the minimum payment of $100.00.

WALL STREET JOURNAL PRIME RATE INDEX TABLE
OWNER OCCUPIED PROPERTIES (over 80% LTV) and NON-OWNER OCCUPIED PROPERTIES (up to 75% LTV)

Year (as of the last business day of July)	Index (Percent)	Margin(1) (Percent)	ANNUAL PERCENTAGE RATE Owner Occupied	Monthly Payment (Dollars) Owner Occupied	ANNUAL PERCENTAGE RATE Non-Owner Occupied	Monthly Payment (Dollars) Non-Owner Occupied
1998	8.500	2.00	3.875(2)	100.00(4)	10.500	100.00(4)
1999	8.000	2.00	10.000	100.00(4)	10.000	100.00(4)
2000	9.500	2.00	11.500	100.00(4)	11.500	100.00(4)
2001	6.750	2.00	9.500(3)	100.00(4)	9.500(3)	100.00(4)
2002	4.750	2.00	7.500(3)	100.00(4)	7.500(3)	100.00(4)
2003	4.000	2.00	6.000	100.00(4)	6.500(6)	100.00(4)
2004	4.250	2.00	6.250	100.00(4)	6.500(6)	100.00(4)
2005	6.250	2.00	8.250	100.00(4)	8.250	100.00(4)
2006	8.250	2.00	10.250	100.00(4)	10.250	100.00(4)
2007	8.250	2.00	10.250	100.00(4)	10.250	100.00(4)
2008	5.000	2.00	8.250(3)	100.00(4)	8.250(3)	100.00(4)
2009	3.250	2.00	6.250(3)	100.00()	6.500(6)	100.00(4)
2010	3.250	2.00	5.500(5)	100.00(4)	6.500(6)	100.00(4)
2011	3.250	2.00	5.500(5)	100.00(4)	6.500(6)	100.00(4)
2012	3.250	2.00	5.500(5)		6.500(6)	100.00(4)

(1) This is a margin we have used recently; your margin may be different.
(2) This ANNUAL PERCENTAGE RATE reflects a discount that we have provided recently; your plan may be discounted by a different amount.
(3) This ANNUAL PERCENTAGE RATE reflects an annual percentage rate periodic cap of 2.000% per year.
(4) This payment reflects the minimum payment of $100.00.
(5) This ANNUAL PERCENTAGE RATE reflects a 5.500% floor.
(6) This ANNUAL PERCENTAGE RATE reflects a 6.500% floor

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