

# CommandCredit Plus Home Equity Line of Credit Disclosure

Application ID \_\_\_\_\_

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

Borrower: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Important Information – Please Read Carefully

Home equity lines of credit (“HELOCs”) have risks that some other loans do not have. This information can help you decide if a TCF HELOC is right for you. HELOCs can be complicated. If you don’t understand how they work, you might want to consider other types of loans. **Never sign any loan document unless you are sure you understand it.**

On a HELOC, the interest rate is not fixed. Instead, it changes over time according to a formula – a base interest rate (index) plus or minus a certain percent (margin). TCF will set the initial interest rate on your HELOC after closing, on the last day of the month in which you sign the Home Equity Line of Credit Agreement and Disclosure Statement. Your interest rate may change monthly and will always be the highest U.S. prime rate published in the Wall Street Journal any time during that month plus or minus the margin. Your interest rate can increase to 18.00%.

The TCF HELOC has a ten year draw period and a twenty year repayment period. The draw period is an “interest only” period. During each month of the draw period, you will be required to pay a minimum of the interest on the money you borrowed or \$50, whichever is greater. **At the end of the interest-only period**, if you pay only the minimum amount due during the draw period:

- **You will still owe the amounts you borrowed during the draw period.**
- **You may face a “Payment Shock.”** Your monthly payment will increase because you will have to start paying back principal, as well as interest.
- **You may owe more than your house is worth.** If you make interest-only payments, your payments are not building home equity. If the value of your home goes down, you may owe more than your house is worth. If this happens, it may be hard to refinance your loan. If you try to sell your home, the amount you owe may be more than the sales price of your home.

## ADDITIONAL INFORMATION

Some specific terms of your TCF HELOC are explained below.

- You will not be required to pay an early termination fee if you cancel your home equity line of credit.
- You must pay TCF an annual maintenance fee of \$75.00 (due each year).
- Your monthly payment will not include an amount to cover taxes and insurance.