



ELECTRICAL WORKERS

CREDIT UNION

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HOME EQUITY “LINE OF CREDIT” LOANS

Obtaining a home equity line of credit from your credit union gives you “pre-approved” access to cash you have invested in your home. With your cash advances you can purchase a new car, home appliances and home improvements...practically anything you would ordinarily take out separate installment loans for. A home equity line of credit offers you a real convenience and less anxiety.

A. PROPERTY

1. The property must be an owner occupied single family house located in California.
2. The equity ratio should not exceed 75% and the Home Equity Loan must be the first or second trust on the property.

$$\text{Equity Ratio} = \frac{\text{Amount of first mortgage} + \text{Home Equity Loan limit}}{\text{Appraised market value on the house}}$$

B. INTEREST RATE

1. The interest rate on the loan is to be at the prime rate. The Initial rate is to be set at the lowest rate from the date we receive your loan application to the date on the loan agreement.
2. The interest rate is adjusted semiannually (April 1 & October 1)
3. There is a 5% cap over the term of the loan.

C. TERMS OF THE LOAN

1. The minimum amount of the line of credit is \$10,000.00
2. The maximum amount of the line of credit is \$100,000.00
3. The line of credit is to be effective for 10 years from the date of the loan
4. The minimum amount of the first advance is \$5,000.00
5. The minimum amount of additional advances is \$2,500.00

D. PAYMENT CALCULATION

1. If the current rate is: Minimum payment amount will be the unpaid balance times:

0-7.99%	1.0%
8-11.99%	1.2%
12-15.99%	1.5%
16% and up	1.75%

2. The minimum monthly payment amount is \$100.00
3. The payment amount will be adjusted only at the time of advance or April 1 and October 1 of each year

E. FEES

The member will pay \$500.00 non-refundable application and appraisal fee, as well as pay for Title Insurance and Recording Fee.

The Credit Union will pay for – The credit report, Escrow Fee and processing fee

F. PROCESSING TIME

Processing time will be approximately four to six weeks after the Credit Committee approval

