

Truth in Savings Disclosures

The rates and fees appearing in this Schedule are accurate and effective for Savings, Market Rate Savings, Checking, IRA, and Certificates of Deposit accounts. See Membership and Account Agreement for complete account disclosure. If you have any questions or require current rate information on your accounts, please call the Credit Union — 503.833.1540.

1. Rate Information

The interest rate and Annual Percentage Yield/Annual Dividend Rate on your accounts are set forth in the Rate & Fee Schedule. For all deposit accounts (except Certificates of Deposit) the interest rate and Annual Percentage Yield may change at any time as determined by the credit union management and approved by the Board of Directors. All earnings (whether designated as dividends or interest) are, for income tax purposes, reported to the IRS in the members' name and Social Security number. For Certificates of Deposit accounts, the Annual Percentage Yield is based on an assumption that interest will remain on deposit until maturity. A withdrawal of interest will reduce earnings.

2. Nature of Interest

Interest is paid from current income and available earnings after required transfers to reserves at the end of each quarter. The interest rate and annual percentage yield (APY) disclosed for Regular Shares, Vacation, Christmas, Kirby and interest bearing checking accounts are the anticipated rate and yield the credit union pays for the applicable dividend period.

3. Compounding and Crediting

Interest will be compounded and credited as set forth on the Rate & Fee Schedule. The Interest Period for all deposit savings accounts begins on the first calendar day of the month and ends on the last calendar day of the quarter. If the account is closed before interest is credited, you will not receive accrued interest.

4. Accrual of Interest

Interest will begin to accrue on cash and non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

5. Balance Information

The minimum balance required to open each account is set forth on the Rate & Fee Schedule. For all accounts, interest is calculated by the daily balance method that applies a daily periodic rate to the principal in the account each day. For Savings and Interest Checking Accounts there is a minimum balance requirement to earn interest or avoid a service fee as set forth on the Rate & Fee Schedule. If the balance falls below the minimum requirement, savings accounts will not earn interest and the Non-Interest Checking account may be subject to a fee.

6. Transfer Limitations

For Savings Accounts, you may make up to six (6) transfers per calendar month. The transfer limitation applies to preauthorized, automatic, overdraft, and telephone transfers (including the Connexus® and Online Banking) to another account of yours or to a third party. Of these six, you may make no more than three (3) transfers to a third party by check or debit card purchase. A preauthorized transfer includes any arrangement with the credit union to pay a third party from your account upon written or oral orders (such as your automobile insurance company or health club), including orders received through the Automated Clearing House (ACH). There is no limit on the number of transactions you may make to another credit union account or withdrawals (checks made directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above, the credit union may refuse or reverse the transfer and be subject to a fee.

7. Certificates of Deposit Account Features

A. Account Limitations: After your account is open, you may not make additional deposits to your Certificate of Deposit (CD) account. Earnings credited to this account may be withdrawn without penalty at any time during the term in which earned. You may elect to have earnings credited or transferred to another account of yours at the Credit Union. If the CD falls below the minimum required balance, the Certificate of Deposit will be closed and the remaining funds will be transferred to a savings account.

B. Maturity: Your Certificate of Deposit account will mature within the term set forth above or maturity date set forth on your Time Deposit Receipt or Renewal Notice.

C. Early Withdrawal Penalty: For a Regular Certificate of Deposit, we may impose a penalty if you withdraw any of the principal before the maturity date.

D. Renewal Policy: Certificates of Deposit accounts are automatically renewable accounts. Your account will automatically renew for another term upon maturity. You have a grace period of seven (7) calendar days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

E. Nontransferable/Nonnegotiable: Your certificate account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

REG Z DISCLOSURES

This disclosure contains important information about your Home Equity Line of Credit Account (Account). You should read it carefully and keep a copy for your records.

1. **Availability of Terms.** All of the terms described below are subject to change. If any of these terms change (other than the **ANNUAL PERCENTAGE RATE**) and you decide, as a result, to not enter into an agreement with us, you are entitled to a refund of any fees that you paid in connection with your application.
2. **Security Interest.** We will take a deed of trust on your home. You could lose your home if you do not meet the obligations in your agreement with us.
3. **Possible Actions.** We may take the following actions with respect to your Account under the circumstances listed below:
 - a) **Termination and Acceleration.** We may terminate your Account and require you to pay us the entire outstanding balance immediately, and charge you certain fees if any of the following happen:
 - i) You engage in any fraud or material misrepresentation in connection with your Account. For example, if there are false statements or omissions on your application or financial statements.
 - ii) You do not meet the repayment terms of the Account.
 - iii) Your action or inaction adversely affects the collateral or our rights in the collateral. For example, if you fail to: maintain insurance, pay taxes, transfer title to or sell the collateral, prevent the foreclosure of any items, or waste of the collateral.

b) Suspension of Credit/Reduction of Credit Limit. We may refuse to make additional advances on your line or reduce your credit limit during any period in which the following exist or occur:

- i) Any of the circumstances listed in a., above.
- ii) The value of your dwelling securing the Account declines significantly below its appraised value for purposes of the Account.
- iii) We reasonably believe that you will not be able to meet the repayment requirements of the Account due to a material change in your financial circumstances.
- iv) You are in default under any material obligation of your Account.

All of your obligations under the Account (Agreement and Deed of Trust) are material to maintaining this Account. The categories of your obligations are set forth in the following paragraphs of these Agreements:

Home Equity Line of Credit Account Agreement. 1. Promise to Pay; 2. Account Access; 3. Loan Payments; 5. Security Requirements; 9. Other Charges and Closing Costs; 11. Possible Credit Union Actions; and 11.f. Credit Information/Financial Statements.

Deed of Trust. 1. Payments and Performance; 2. Possession and Maintenance of Property; 3. Taxes and Liens; 4. Property Damage Insurance; 5. Expenditures by Credit Union; 7. Condemnation; 10.1. Consent by Credit Union; 10.2. Effect of Consent; 11. Security Agreement; Financing Statements; 14. Actions Upon Termination; 14.5. Attorneys Fees and Expenses; 16.2 Unit Ownership Power of Attorney; 16.3. Annual Reports; 16.5. Joint and Several Liability; 16.8 Waiver of Homestead Exemption; and 17.3. No Modifications.

- v) The maximum **ANNUAL PERCENTAGE RATE** under your Account is reached.
- vi) Any government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- vii) We have been notified by government agency that continued advances would constitute an unsafe and unsound practice.

c) Change in Terms. The Agreement permits us to make certain changes to the terms of the Account at specified times or upon the occurrence of specified events.

4. Minimum Payment Requirements. You can obtain credit advances for five years (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will be equal to 1.50% of the outstanding balance of the Account, or \$100.00, whichever is greater. After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance (the "repayment period"). The length of the repayment period will be ten years. During the repayment period, payments will be due monthly. Your minimum monthly payment will

be equal to 1.50% of the outstanding balance of the Account, or \$100.00, whichever is greater. If your monthly payments do not fully repay the amount you owe the Credit Union under your Account, your final payment of the repayment period will be a single balloon payment for all principal and accrued **FINANCE CHARGES**.

5. **Minimum Payment Example.** If you took a single \$10,000.00 advance at an **ANNUAL PERCENTAGE RATE** of 6.25% (the most recent index plus margin shown in the historical table) and made only the minimum monthly payments, it would take 124 months to pay off your account. During that period you would make 42 monthly payments ranging from \$150.00 to \$100.20, 81 payments of \$100.00, and a final payment of \$31.01.

6. **Fees and Charges.** In order to open and maintain the line, you must pay certain fees and charges.

a) **Application Fee.** You must pay an application fee of \$50.00.

b) **Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. In addition, you must carry insurance on the property that secures this Account. The amount of these fees depends on the amount of the line of credit, and generally total \$200.00 to \$280.00. For example, on a \$10,000 line of credit/equity loan the following estimated fees must be paid to third parties:

Appraisal Fee: \$90.00

Title Insurance: \$75.00 (varies depending on amount of the line of credit)

Recording Fee: \$75.00

Flood Hazard Determination: \$15.00

7. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges under the plan.

8. **Annual Percentage Rate.** Your Account has a variable rate feature and the **ANNUAL PERCENTAGE RATE** (corresponding to the periodic rate) may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs.

9. **Variable Rate Features.**

a) **ANNUAL PERCENTAGE RATE.** The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the U.S. Prime Rate. The index is published in *The Wall Street Journal*. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we take the value of the index and add or subtract a margin up to 2%, rounded to the nearest one quarter percent (.25%). Ask us for the current index value, margin, and **ANNUAL PERCENTAGE RATE**. After you open an account, rate information will be provided on periodic statements that we will send you.

b) **Rate Changes.** The **ANNUAL PERCENTAGE RATE** will change quarterly on the first day of January, April, July, and October, based on the index as of the 10th day of the prior month. The maximum **ANNUAL PERCENTAGE RATE** that can apply over the life of the loan is 18.0%

and the minimum **ANNUAL PERCENTAGE RATE** that can apply is 6.00%. An increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the number of monthly payments or the amount of the final payment for your Account.

10. Maximum Rate and Payment Examples. If you had an outstanding balance of \$10,000 at the beginning of your Account, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$150.00. This **ANNUAL PERCENTAGE RATE** could be reached during the first year of the draw period.

11. Historical Example. The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single \$10,000 credit advance on a home equity line of credit would have changed based on changes in the index over the last 15 years. The index values are calculated as of the tenth day of December of the prior year. While only one payment amount per year is shown, payments may have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payment was made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

<u>Year</u>	<u>Index</u> (%)	<u>Margin*</u> (%)	<u>ANNUAL PERCENTAGE</u> <u>RATE</u> (%)	<u>Minimum Monthly</u> <u>Payment</u> (\$)	
1989	10.50	2.00	12.50	150.00	
1990	10.50	2.00	12.50	141.95	
1991	10.00	2.00	12.00	134.34	
1992	7.50	2.00	9.50	126.50	DRAW
1993	6.00	2.00	8.00	116.16	PERIOD
1994	6.00	2.00	8.00	105.06	REPAYMENT
1995	8.50	2.00	10.50	100.00	PERIOD
1996	8.75	2.00	10.75	100.00	
1997	8.25	2.00	10.25	100.00	
1998	8.50	2.00	10.50	100.00	
1999	7.75	2.00	9.75	100.00	
2000	8.50	2.00	10.50	100.00	
2001	9.50	2.00	11.50	100.00	
2002	5.00	2.00	7.00	100.00	
2003	4.25	2.00	6.25	--	

• This is a margin we have used recently for regular home equity accounts.

12. Membership fee. To open an account with Oregon Pioneer FCU, \$5.00 must be deposited into your prime share account. This \$5.00 will be returned to you if and when the account is closed. It is not a fee. This \$5.00 can and will be used to pay fees owed to the credit union if such occur.

CONSUMER LOAN INFORMATION

All consumer loan finance charges are stated as an ANNUAL PERCENTAGE RATE (APR). Other fees only apply to HELOC or HOME EQUITY loans. A \$50.00 fee may apply to re-financed loans. Other fees may apply but are not considered finance charges. Non-sufficient funds on a check applied to a loan are not considered finance charges. The credit union may have a security interest in loans such as new or used vehicles, boat, motorcycle, or RV loans. The collateral on such loans will be listed on the loan document.

A quarterly statement will be issued to all members of the credit union. The statement will list all transaction on your account for that period. If you have any questions about any transaction, please contact the credit union at once. We will review the item being questioned, and if the review process takes more than 30 days, a credit will be issued to your account until the issue can be resolved.

The minimum balance required to earn dividends is \$0.01. Fees imposed may reduce the earnings on your savings account. For certificate of deposit, an early withdraw penalty will be assessed for early withdraw.