



## **HELOC (Home Equity Line-of-Credit) Key Attributes**

### **Product**

- 30-year note with 120-month Draw / Interest Only pay-option period and a 240-month Principal and Interest Repayment Period
- Product is eligible for both 1<sup>st</sup> and 2<sup>nd</sup> lien positions
- Spring EQ may issue this product in partnership with other investors, upon which credit union membership may be required. Spring EQ will pay for any initial membership fee or donation on behalf of borrower
- Eligible borrower/loan characteristics: <https://www.wholesale.springeq.com/rates-and-guidelines/>

### **Interest Rates and Payments**

- The HELOC has a variable rate of interest, tied to the Prime Rate index plus a margin. The interest rate may change monthly.
- Payments of interest only are required during the 120-month Draw Period, and payments of principal and accrued interest are required during the 240-month Repayment Period.

### **Advances**

- Initial Minimum Draw of \$50,000
- No additional draws are allowed during the first 90 days following the closing date
- Minimum subsequent draws are \$1,000
- All draws are only allowed via check (no wires or ACH). The servicer, Specialized Loan Servicing ("SLS"), will provide checks in the initial Welcome Package.
- Borrowers can request checks via calling 1-800-315-4757 or ordering on-line via the chat module or sending an on-line inquiry. All check requests will require verbal verification prior to printing and mailing.

### **Welcome Package & Statement**

- The borrower should receive a Welcome Package from SLS within 20 days of funding and in no event later than the 12<sup>th</sup> of the month following funding. The Welcome Package will include important information including how to contact SLS, the borrower's new loan number, checks for draws on the HELOC and other pertinent information.
- The borrower should receive his/her monthly statements on or about the 12<sup>th</sup> of each month

### **Payments**

- Minimum payment of \$100 during Draw Period; any amount in excess of interest is applied to borrower's outstanding balance
- Payments are due the 1<sup>st</sup> of each month

# Spring EQ<sup>TM</sup>

## WHOLESALE LENDING

- During the initial 120-month Draw Period, borrower is required to pay of greater of accrued interest or \$100 per month
  - Borrower's payment during the 10-year draw period will vary, as this is based on the current interest rate and Average Daily Principal Balance
- During the 240-month Repayment Period, borrower's minimum monthly payment will equal the greater of (a) \$100; or (b) 1/240th of the outstanding Account Balance at the end of the Draw Period, plus all accrued finance charge and other fees, charges and costs.
- SLS processes all payments and advances as the servicer of the loan. Payments can be received at:

Specialized Loan Servicing LLC

P.O. Box 60535

City of Industry, CA 91716-0535

SLS also accepts on-line payments via [www.sls.net](http://www.sls.net), or automated payment drafting or via telephone at 1-800-315-4757.

### Investor Affiliation

- Spring EQ originates this product in partnership with other investors, some of which may be credit unions, thus, there may be a prerequisite to opening and maintaining credit union membership as long as the HELOC remains open.
  - Spring EQ is funding any required initial savings account deposit with the credit union on the borrower's behalf. In the event Spring EQ partners with a credit union, the credit union will provide a welcome letter within 30-60 business days of account opening.
- All correspondence on the borrower's HELOC should be directed to the servicer, including payments, advances and check requests.
- If the product is transferred to another investor or credit union, the borrower will be notified by mail of the change.

### Costs

- Product subject to customary closing and fees. In most cases fees are netted at funding against the proceeds of the Initial Draw
- \$99 fee charged annually upon closing date