

Mortgage, Fixed Equity, and Home Equity Line of Credit Statement Disclosure

CONTACT INFORMATION

Member Service Representatives are available at 1-888-842-6328 during the following hours: Monday - Saturday: 7:00 am - Midnight, Sunday: Noon - Midnight, Eastern Time.

For overseas members, call collect at 703-255-8837.

Default Counselors are available at 1-800-258-5948 during the following hours:

Monday - Friday: 8:00 am - 4:30 pm, Eastern Time.

For more information, visit navyfederal.org (NFO).

*Under Regulation X of the Real Estate Settlement Procedures Act (RESPA), borrowers have the right to resolve errors or request information about their mortgage accounts in writing. Error notices or information requests written on your loan payment coupon or other payment medium provided to you by us will not be accepted. Your written notice of error or information request must include your name, account number, and explanation of the error or reason for the request. Any written notice or request you wish to submit must be sent to the correspondence address below.

Payment Address:

Navy Federal Credit Union
PO Box 3300
Merrifield, VA 22119-3300



*Correspondence Address:

Navy Federal Credit Union
Mortgage Servicing Error Resolution
and Information Request
PO Box 3302
Merrifield, VA 22119-3302

Insurance Address:

Navy Federal Credit Union
PO Box 100598
Florence, SC 29502-0598

Payoff/Overnight Address:

820 Follin Lane
Vienna, VA 22180
Attention: Mortgage Servicing Division, Payoff Section

PAYMENT INFORMATION

All payments to Navy Federal must be in US dollars.

Phone Payments. Please call 1-888-842-6328 to make a phone payment.

Online Payments. Please visit navyfederal.org to make an online payment.

Mail Payments. Make all payments before the due date shown on your billing statement. Make check payable to Navy Federal Credit Union. Do not include any correspondence or remittances for other Navy Federal Credit Union accounts with your mortgage/equity payment. Please write your loan number on your check and mail in the enclosed envelope.

Drafting. If your automatic payment date falls on a weekend or holiday, please note that the payment will be processed on the following business day.

Transfer a Payment to Your Mortgage or Equity Loan. This automated service is available 24 hours a day online. Member Service Representatives are available to assist you Monday - Saturday: 7:00 am - Midnight, Sunday: Noon - Midnight, Eastern Time.

Additional Principal Payments. Depending upon the terms of your loan agreement, you may be able to pay additional principal on your loan. We must receive additional principal payments on or before your payment due date. Include additional principal with your regular payment and indicate the amount in the space provided on your coupon.

Partial Payments. Any amount received on an account, with the exception of a Home Equity Line of Credit, that is less than the regularly scheduled payment amount is considered a partial payment and will not be applied to your loan until the full payment is received.

Loan Payoff Information. The principal balance on your statement is not the loan payoff amount. Interest and other charges may be due. You may obtain a payoff quote through NFO account access or by calling 1-888-842-6328.

Avoid late charges and protect your credit. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

For more information, call 1-888-842-6328 or visit navyfederal.org.

INSURANCE INFORMATION

Hazard Insurance Reminder. It is your responsibility to maintain proper and sufficient hazard insurance coverage. Hazard insurance includes Fire and Extended Coverage, and where required, Flood and Wind Insurance. To protect our mutual interests, Navy Federal must be listed in the mortgagee clause. Should you receive an original insurance bill, please forward it to us immediately to avoid a lapse in coverage. Whether you have a renewal or replacement policy, please have your agent send a copy of it to the insurance address above at least 30 days before your existing policy expires.

If we do not receive proof of adequate continuous coverage, we will purchase hazard insurance to protect the property at your expense. The cost of the insurance we purchase on your behalf may be higher than the amount you would normally pay. In addition, this insurance policy may not provide coverage for the full replacement cost of your home and will not cover your contents. If you have a mortgage or fixed equity loan, the purchase price of this insurance will be charged to your escrow account. If you do not have an escrow account, one will be established for you, and your mortgage payment will be increased accordingly.

If you have a Home Equity Line of Credit, we will send you a bill for the insurance coverage obtained. You will be mailed several notices before a policy is obtained and your account is charged. Please remember that a copy of your policy or policies still needs to be provided to us annually (for non-escrowed loans). If your property is a condominium, you will need to request the declaration page of the Master Condominium Policy from your condominium association and send proof of any additional policies you may carry. If your loan does not have an escrow account, you are required to provide proof that your insurance has been paid by forwarding a copy of your hazard, flood, and/or wind insurance receipt(s).

Damaged Property. In the event of damage to your home or property, immediately notify your insurance agent and Navy Federal so we may guide you on how the insurance draft must be processed.

Mortgage Insurance. Your Private Mortgage Insurance (PMI), if applicable, may be eligible for cancellation. Please contact Navy Federal at 1-888-842-6328 for applicable requirements. For additional details, please refer to the Frequently Asked Questions under Mortgage and Equity Information (via NFO account access). To view current mortgage servicing fee schedules, please visit navyfederal.org.

TAX INFORMATION

Property Tax Reminder. Supplemental bills are the responsibility of the property owner, as we do not escrow to pay supplemental tax bills. If you receive an original or delinquent tax bill, please forward it to our tax department at the address listed under Contact Information. Delays in forwarding your tax bills may result in tax penalties for which you will be charged. Duplicate tax bills are generally sent by taxing authorities to the property owner. Please retain them for your records. If the loan does not have an escrow account, you are required to provide evidence that your taxes have been paid by forwarding a copy of your paid tax bill receipt(s) to our Tax Department.

Homestead Exemption. If your state allows for a homestead exemption, **only you may file for it.**

GENERAL INFORMATION

Statement Balance. Transactions received after the statement date will be reflected on the following month's statement.

Overpayment. Any overpayment will be applied according to your loan documents.

Expenses Paid. This is a disbursement for servicing-related expenses (not escrow expenses) paid with servicer funds rather than escrow funds, to be recovered from you. This may include foreclosure expenses, attorney fees, and bankruptcy fees.

Suspense Balance. If your account is subject to pending bankruptcy proceedings, the suspense balance reflected could include trustee distributions. For more details, please contact Mortgage Default to speak with a Mortgage Bankruptcy Counselor at 1-800-258-5948.

Suspense Funds. These are any funds received on an account, with the exception of a Home Equity Line of Credit, that did not equal a full payment.

Important Notice: If your mortgage loan should go into default, Navy Federal Credit Union may inspect your property to determine if it is being maintained and occupied in accordance with the terms of your Mortgage/Deed of Trust. Any fees for such an inspection will be charged to your account. In addition, we may report information about your account to credit bureaus. In the event that your loan is in default, Navy Federal Credit Union will attempt to collect the debt, and any information obtained will be used for that purpose. **If you have filed for bankruptcy, you may no longer be personally liable for this debt. In that case, this notice is purely informational, based on your contact with us, and not an attempt to collect a debt. Please contact your bankruptcy attorney with any questions.**

For additional details, please refer to the Frequently Asked Questions under Mortgage and Equity Information (via NFO account access). To view current mortgage servicing fee schedules, please visit navyfederal.org.

HOME EQUITY LINE OF CREDIT (HELOC)

Finance Charge: A finance charge will be imposed and shown on each monthly statement, even if you pay your new balance in full on or before the payment due date. The finance charge on your account is determined by applying the daily periodic rate to the "average daily balance" on your account (including current transactions) and then multiplying that amount by the days in the billing cycle. To get the "average daily balance," we take the beginning balance of your account each day, add any new advances made, and subtract any payments or credits and any unpaid finance charges. This equals the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This equals the "average daily balance."

Payoff and Paydown Description. A payoff request is a request to pay the HELOC in full and close the loan. No further transactions can be made on the loan once it is paid in full. A paydown request is a request to pay the HELOC to a zero balance, but have the loan remain open for further use. If a loan is paid down, you may continue to draw funds from the loan until the draw period ends or the loan is paid in full and closed.

Prepayment Options. There is no prepayment option on a HELOC for monthly payments. You must wait for your monthly bill to generate before it can be paid. If all outstanding bills are paid on a HELOC, any funds received will be posted toward additional amounts due or principal. Once a HELOC bill is generated, any funds received will be posted toward the oldest outstanding bill first.

Hold On Available Credit After Payment. When you make a payment to your HELOC, Navy Federal may adjust your available credit six business days after we receive your payment. For more information, call 1-888-842-6328 or visit navyfederal.org.

Billing Rights Summary. (HOME EQUITY LINE OF CREDIT)

In Case of Error or Questions About Your Bill. If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the correspondence address above for inquiries as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared.

You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rule for Credit Card Purchases. If you have a home equity credit card, have a problem with the quality of goods or services that you purchased with a credit card, and have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)