



Characteristics of a HELOC (Home Equity Line Of Credit) Required for Money Merge Accounts

United First Financial will address all HELOC's as Advanced Lines of Credit-ALOC's because of the extensive use of this type of account as a vehicle by which the MMA will facilitate debt reduction and cancellation of compound interest debt.

Regardless of the financial institution providing the ALOC, each account must have the following characteristics:

Must:

- Must be an open ended Home Equity Line of Credit
- Must have an interest only payment option
- Must be attached to the primary residence in a second lien position
- Must be a variable rate

For Best Functionality for check writing:

- Lowest dollar amount minimum per check written from ALOC
- No fee per check written from ALOC
- No limit to the number of checks written from ALOC each month
- Shortest amount of time to clear and process checks from ALOC account

For Best Functionality for on-line Banking:

- Ability to transfer money from Checking to Equity Line of Credit and Equity Line to Checking
- No limit to the number of transfers per month
- No fee for on-line transfers
- No dollar amount limitation on transfers
- Ability to link Equity Line to Checking account as an overdraft protection
- No fee for overdraft protection
- Shortest turn around time for posting on line transfers to designated accounts
- On-line bill pay
- No fee for on line bill pay

Questions at the closing table for the Equity Line:

- Q: Lenders will ask client if they want their monthly Equity Line payment automatically withdrawn from a designated checking account.
- A: No (this will amortize the equity line payment to one time per month, which will defeat the MMA process)
- Q: Lenders will ask client if they want to lock their rate.
- A: No (this will remove the interest only payment option)