



HELOC (Home Equity Line of Credit) FAQ: Key Attributes & Servicing

Eligible Borrower/loan characteristics: <https://www.wholesale.springeq.com/rates-and-guidelines/>

Adjustable HELOC Product: 3 Year Draw / 10 Year IO / 20 Year Full Amortization

- A 30-year Credit Agreement which provides for a 36-month Draw period, with a 120-month Interest Only (IO) period followed by a fully amortizing 240-month Principal and Interest Repayment Period
- Product is eligible for both 1st and 2nd lien positions (see state eligibility).

Interest Rates Changes

- The adjustable HELOC has a variable rate of interest, tied to the Index (the highest Prime Rate published in the Wall Street Journal on the first business of calendar month) plus a Margin. The interest rate may change monthly.
- Over the life of the HELOC, the maximum Interest Rate is 18% (or the maximum APR allowed by state whichever is lower).
- There are no caps on the monthly changes to the interest rate.
- The minimum APR is the lesser of 4% or the initial APR.

Fixed Rate HELOC Product: 3 Year Draw / No IO / 15-, 20- or 30-Year Full Amortization

- A 15-, 20-, or 30-year Credit Agreement which provides for a 36-month Draw period, with no Interest Only (IO) period. PI payment recasts based on balance for chosen term. The interest rate is fixed for the life of the loan and will not change.
- Product is eligible for both 1st and 2nd lien positions (see state eligibility).

Advances (Draw)

- For adjustable-rate HELOC, initial draw amount must be the greater of \$50,000 or 75% of the total line amount (not available in Texas). For fixed-rate HELOC, initial draw amount must be the greater of \$50,000 or 75% of the total line amount (\$50,000 minimum in Texas).
- No additional draws are allowed during the first 90 days following the closing date (initial 90-day freeze post the loan closing).
- Minimum subsequent draws are \$1,000 (\$4,000 in Texas).
- Draws are only allowed via check (no wires or ACH).
- Spring EQ's servicer, **Shellpoint Mortgage Servicing**, will provide checks shortly before the expiration of the initial 90-day freeze post the loan closing.
- Borrowers can request checks via calling **Shellpoint Mortgage Servicing** at 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.

Spring EQ's Servicer

- **Shellpoint Mortgage Servicing** handles all servicing activities on Spring EQ originated loans which includes processing all payments and advances as the servicer of the loan.
- Payments can be made to **Shellpoint Mortgage Servicing** at the following address:
Shellpoint Mortgage Servicing
P.O. Box 60535
City of Industry, CA 91716-0535
- **Shellpoint Mortgage Servicing** also accepts on-line payments via <https://sms.servicingloans.com/> or automated payment drafting or via telephone at 1-800-315-4757.



Welcome Package & Statement

- The borrower should receive a Welcome Package from **Shellpoint Mortgage Servicing** within about 1 week after the funding of your Spring EQ loan. The Welcome Package will include important information including how to contact **Shellpoint Mortgage Servicing**, the borrower's new servicing loan number and other pertinent information.
- The borrower should receive his/her monthly statements on or before the 15th of each month.

Payments

- Borrowers will receive a monthly statement by the 15th of each month.
- Payments are due the 1st of each month.
- Adjustable HELOC: During the initial 120-month Interest Only Period, borrower is required to pay the greater of accrued interest or \$100 per month.
- Adjustable HELOC: 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.
- Adjustable HELOC: Borrower's payments could vary, based on the current interest rate and Average Daily Principal Balance.

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: <https://www.wholesale.springeq.com/rates-and-guidelines/>
- An Annual Maintenance Fee will be charged automatically on an annual basis as an advance against your line.
 - Not applicable for HELOCs in MD, VA, MN (if line amount is less than \$100,000) or NC (if line amount is less than \$300,000).
 - \$50 Annual Maintenance Fee in MO, NJ, PA & WA.
 - \$99 in all other states not listed above (including MN for line amounts of \$100,000 or more and NC for line amounts of \$300,000 or more).