

Home Equity Line of Credit Plan Disclosure

This disclosure contains important information about our Home Equity Plan. You should read it carefully and keep a copy for your records.

Availability of Terms

All of the terms described below are subject to change.

If these terms change (other than the annual percentage rate), and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you have paid to us or anyone else in connection with your application.

Security Interest

We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions

Under certain circumstances, we can:

- Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
- Refuse to make additional extensions of credit; and
- Reduce your credit limit.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- You fail to make a payment as required by the agreement; or
- Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- You are in default of a material obligation of the agreement;
- Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120% of the credit limit on the line of credit;
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- The maximum annual percentage rate is reached; or
- You request a suspension of credit privileges.

Minimum Payment

You can obtain credit advances for 120 months (the “draw period”). During this period, payments will be due monthly.

On or before each payment date, you agree to make a payment of at least the minimum payment amount. During the Draw Period, the minimum payment will equal the following:

Any amount past due, any fees and charges that are due, and the amount of accrued finance charges on the last day of the Billing Cycle.



After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your line of credit (the “*repayment period*”). The length of the repayment period is 180 months. During the repayment period, payments will be due monthly.

During the Repayment Period, the Minimum Payment will equal the following:

Any amount past due, any fees and charges that are due, and an amortized payment of the Loan Account Balance outstanding on the last day of the Draw Period. This balance will be amortized over 180 months. The Minimum Payment will change whenever the annual percentage rate changes.

Rounding

The minimum payment will be rounded to the nearest \$0.01.

Principal Reduction

Minimum Payment Example

If you made only the minimum monthly payment and took no other credit advances, it would take to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.500%. During that period, you would make 120 payments of \$37.50 followed by 179 payments of \$76.51 with a final payment of \$73.37.

Fees and Charges

To open and maintain a line of credit, you must pay the following fees to us:

Settlement Charges to Seller:

Processing Fee: \$100.00.

Late Charge:

Photocopy Fee: \$2.00 due per page fee when a copy of the credit line account is request..

Note that some fees may only apply upon the occurrence of an event and have been provided for informational purposes only.

The following are an estimate of third party fees:

Appraisal: \$27.00

Flood Certification: \$9.00

Title - Abstract or Search: \$100.00

Title - E-Recording Fee: \$4.00

Recording - Mortgage: \$100.00

You must carry insurance on the property that secures the line of credit.

Refundability of Fees

If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Brochure, you are entitled to a refund of any fee you may have already paid.

Minimum Draw Requirements

The minimum credit advance that you can receive is \$_____.



Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

Availability of Other Home Equity Plans

If you ask, we will provide you with information on our other available home equity lines of credit.

Variable Rate Features

This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result. The annual percentage rate includes only interest and not other costs. The annual percentage rate is based on the value of an index. The index is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index and then round to the nearest .125%. The initial annual percentage rate is discounted - it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for 12 months. Ask us for the current index value, margin, discount, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

Rate Changes

The annual percentage rate can change monthly after remaining fixed for 12 months. The rate cannot increase or decrease by more than 15 percentage point(s) in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 15.000%. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 2.000%.

Maximum Rate and Payment Examples

If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.000% would be \$124.99. The maximum annual percentage rate during the draw period could be reached in the 26th month (2 years, 2 months) following an initial hold of 12 months. If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.000% would be \$139.96. The maximum annual percentage rate during the repayment period could be reached in the 26th month (2 years, 2 months).

Historical Examples

The following table shows how the annual percentage rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the last 15 years. The index values are from the first business day of January of each year.

While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional credit advances were taken, that only the minimum payment was made, 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.



Year	Index (%)	Margin (*) (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2009	7.250	1.250	8.500	70.83
2010	3.250	1.250	8.500	70.83
2011	3.250	1.250	4.500	37.50
2012	3.250	1.250	4.500	37.50
2013	3.250	1.250	4.500	37.50
2014	3.250	1.250	4.500	37.50
2015	3.250	1.250	4.500	37.50
2016	3.500	1.250	4.750	39.58
2017	3.750	1.250	5.000	41.67
2018	(O) 4.500	1.250	5.750	83.07
2019	0.500	1.250	6.750	88.21
2020	4.750	1.250	6.000	84.56
2021	3.250	1.250	4.500	77.97
2022	3.250	1.250	4.500	77.97
2023	7.500	1.250	8.750	95.35

* This is a margin we have used recently; your margin may be different.

(O) The repayment period begins in this year.

Notices

This is not a commitment to make a loan.

