

## Home Equity Line of Credit Early Disclosure

### IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of Credit plans. 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 pay 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:** We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

**OWNER OCCUPANCY:** The property must remain your primary residence. If the property is no longer your residence, we may suspend future advances, which would affect the minimum payment that is due because the repayment begins. If the property becomes a rental property, we may suspend future advances which would mean the repayment period would begin and affect how the minimum payment is calculated.

**MINIMUM PAYMENT REQUIREMENTS:** You can obtain credit advances for ten years. This period is called the "draw period." At our option, we may renew or extend the draw period. A fifteen-year repayment period follows the draw period. During the draw period, your required minimum monthly payment equals interest finance charges incurred during the previous month. During the repayment period, your required minimum monthly payment equals the greater of (a) \$25.00 or (b) an amount sufficient to pay off your then-outstanding balance at the then-current interest rate over the number of months remaining in the repayment period. During both the draw and repayment periods, (a) your required minimum monthly payment can increase or decrease with increases or decreases in the interest rate,

and (b) your minimum monthly payment will also include any fees charged and amounts by which you have exceeded your credit limit.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 25 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.625%. During that period, you would make 120 payments of \$66.16 to \$73.25, followed by 179 payments of \$99.22 and one (1) final payment of \$98.03.

**FEES AND CHARGES:** You must pay certain fees to third parties to open any plan. These fees generally total between \$0.00 and \$1,700.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Annual Fee: \$100.00 (Due on each anniversary date)

**FEE REIMBURSEMENT:** If we have paid third party fees on your behalf, you will be liable to reimburse us these bona-fide third party fees if you close the plan within two years of its opening. If you are liable to reimburse us for bona-fide third party fees, we may add the amount owed to your outstanding principal balance.

**PROPERTY INSURANCE:** You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**TRANSACTION REQUIREMENTS:** Advances must be \$300.00 or more whenever they are taken.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

**VARIABLE RATE FEATURE:** These plans have a variable rate feature and the annual percentage rate (corresponding to the periodic rate) may change as a result. The annual percentage rate includes interest. The annual percentage rate is based on the value of an independent index. The index is the Prime Rate published in the Money Rates column of the Wall Street Journal. When a range of rates has been published the highest rate will be used.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the index. Ask us for the current index

value, margin and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

We will use the most recent index value available to us as of 15 days before the date of any annual percentage rate adjustment. Ask us for the current index value, margin and annual percentage rate.

**MARGIN:** The margin you receive is based on market conditions, the amount of equity in your property and your creditworthiness. The margin you qualify for may be more or less than the margin shown in the Historical Table below. Please ask us for the margin for which you qualify.

**RATE CHANGES:** The annual percentage rate can change on first day of each month. There is no limit on the amount by which the annual percentage rate can change except that (a) the **ANNUAL PERCENTAGE RATE** will never exceed 17.99% and (b) the **ANNUAL PERCENTAGE RATE** will never be less than 4.00%.

**MAXIMUM RATE AND PAYMENT EXAMPLE:** If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the

maximum **ANNUAL PERCENTAGE RATE** of 17.99% would be \$152.79. This annual percentage rate could be reached at the time of the 1<sup>st</sup> payment during the draw period. If you had an outstanding balance of \$10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 17.99% would be \$161.02. This annual percentage rate could be reached at the time of the 1<sup>st</sup> payment during the repayment period.

**HISTORICAL EXAMPLE:** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the last business day of January of each year. While only one payment per year is shown, payments may have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. They do not necessarily indicate how the index or your payments will change in the future.

WALL STREET JOURNAL PRIME RATE INDEX TABLE

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2009.....	3.250	1.125	4.375	37.16
2010.....	3.250	1.125	4.375	37.16
2011.....	3.250	1.125	4.375	37.16
2012.....	3.250	1.125	4.375	37.16
2013.....	3.250	1.125	4.375	37.16
2014.....	3.250	1.125	4.375	37.16
2015.....	3.250	1.125	4.375	37.16
2016.....	3.500	1.125	4.625	39.28
2017.....	3.750	1.125	4.875	41.40
2018.....	4.500	1.125	5.625	47.77
2019.....	5.500	1.125	6.625	87.82 <sup>(2)</sup>
2020.....	4.750	1.125	5.875	83.96
2021.....	3.250	1.125	4.375	76.95
2022.....	3.250	1.125	4.375	76.95
2023.....	7.500	1.125	8.625	94.64

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> Interest-only payments are made during the 10-year draw period, followed by fully amortized payments during the repayment period.