



**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.

**PLANS:** We offer two plans: Equity Advantage and Equity Advantage Plus. Terms apply to all the plans unless otherwise designated.

**OWNER OCCUPANCY:** For Equity Advantage, 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. The Equity Advantage Plus plan is for second homes or vacation homes that are not your primary residence, but also are not rental property. 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:**  
Equity Advantage and Equity Advantage Plus:

You can obtain credit advances for 10 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will never exceed 15 years. Your payment will

remain the same unless you obtain another credit advance or if the annual percentage rate increases or decreases. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

During the draw period your monthly payment will equal the finance charges (interest) that accrued on the outstanding balance during the preceding month. During the draw period, the payment will not be rounded.

At the beginning of the repayment period we will recalculate your payment. Your payment will be set to repay the balance at the current annual percentage rate over the applicable repayment term according to the table shown below. During the repayment period, your payment will be rounded up to the nearest \$1.00. During the repayment period, each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original repayment term. Your payment will never be less than the smaller of \$25.00 or the full amount that you owe.

The repayment term is shown in the following table:

Range of Balances		Repayment Term
Up To	- \$5,000.00	36 Monthly Payments
\$5,000.01	- \$10,000.00	60 Monthly Payments
\$10,000.01	- \$20,000.00	120 Monthly Payments
\$20,000.01	- And above	180 Monthly Payments

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 120 payments of \$36.44 to \$40.34, followed by 59 payments of \$188.00 and one (1) final payment of \$158.87.

**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: \$20.00 for Equity Advantage and \$40.00 for Equity Advantage Plus (Due on each anniversary date unless you maintain an average daily balance of at least \$20,000.00 for the prior 12 months.) (We may waive this fee at certain times.)

**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.

If the annual percentage rate increases, you will be required to make higher minimum payments. 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 quarterly on the first day of January, April, July and October. The **ANNUAL PERCENTAGE RATE** cannot increase or decrease more than 0.5 percentage points at each adjustment. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15% or the maximum permitted by law, whichever is less. However, the minimum floor rate you receive will be based on the loan-to-value ratio. For purposes of this disclosure we are illustrating a program with a 4% floor.

**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 15% would be \$127.40. This annual percentage rate could be reached at the time of the 61<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 15% would be \$238.00. This annual percentage rate could be reached at the time of the 61<sup>st</sup> payment during the repayment period.

**HISTORICAL EXAMPLE:** The following tables show 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 for the Equity Advantage and Equity Advantage Plus plans 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 tables assume 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 - EQUITY ADVANTAGE AND EQUITY ADVANTAGE PLUS**

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	<b>ANNUAL PERCENTAGE RATE</b>	Monthly Payment
2003.....	4.250	1.00	5.250	44.59
2004.....	4.000	1.00	5.000	42.47
2005.....	5.250	1.00	6.250	53.08
2006.....	7.500	1.00	8.250 <sup>(2)</sup>	70.07
2007.....	8.250	1.00	9.250	78.56
2008.....	6.000	1.00	7.250 <sup>(2)</sup>	61.58
2009.....	3.250	1.00	5.250 <sup>(2)</sup>	44.59
2010.....	3.250	1.00	4.250	36.10
2011.....	3.250	1.00	4.250	36.10
2012.....	3.250	1.00	4.250	36.10
2013.....	3.250	1.00	4.250	186.00
2014.....	3.250	1.00	4.250	186.00
2015.....	3.250	1.00	4.250	186.00
2016.....	3.500	1.00	4.500	185.00
2017.....	3.750	1.00	4.750	185.00

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

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 0.500% per adjustment.