



Important Terms of Our Home Equity Line of Credit

This disclosure contains important information about our Home Equity Line of Credit. 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 any of 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 mortgage, deed of trust, or deed to secure debt on 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 account, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, or we can refuse to make additional extensions of credit or reduce your credit limit if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms of the account.
- Your action or inaction adversely affects the collateral or our rights in the collateral; including but not limited to: (1) you transfer title to the Real Property securing your account or sell the Real Property without our written consent; (2) you fail to maintain required insurance on the Real Property; (3) you commit waste or otherwise destructively use or fail to maintain the Real Property; (4) you fail to pay taxes on the Real Property or otherwise allow or cause a lien to be filed on the Real Property; (5) the death of the sole consumer obligated on the account; (6) the taking of the Real Property through eminent domain; or (7) foreclosure proceedings are instituted by a prior lienholder.

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

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

If you ask, we will give you more specific information concerning when we can take these actions.

Minimum Payment Requirements:

Draw Period: You can obtain advances for 5 years (the "draw" period). Payments will be due Monthly. Your payments will be: all accrued interest plus credit life insurance premiums (if any), plus any past due payments and amounts which exceed your credit limit. The minimum payment will not repay the principal that is outstanding on your account.

Minimum Payment Example:

Draw Period Only: If you made only the minimum payments and took no other credit advances, it would take 60 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.00%. During that period, you would make 59 monthly payments varying between \$58.33 and \$58.33, and one final payment of \$10,058.33.

Fees and Charges: In order to open and maintain an account, you may be required to pay certain fees and charges. These fees generally total as follows: Appraiser: \$150-\$300.00, Flood Determination: \$15-\$17.00, State Recording Fees: \$25-\$300.00, Attorney Fees: \$100-\$300.00. In the event you are required to pay these fees, the Lender will provide you with an itemization of such fees.

Property Insurance: You must carry insurance on the property that secures this account.

Minimum Draw And Balance Requirements: The minimum credit advance that you can receive is \$250.00. You must maintain an account balance of at least N/A . If you want to take advantage of our no closing cost offer, you will be required to take an initial advance.

Tax Deductibility: You should consult a tax advisor regarding the deductibility of interest and charges for the account.

Variable-Rate Feature: The account 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 New York Prime Rate and is published in the Wall Street Journal's "Money Rates" table. 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, discount and annual percentage rate. After you open an account, rate information will be provided on periodic monthly statements that we send to you.

Rate Changes: The annual percentage rate can change daily. The maximum **ANNUAL PERCENTAGE RATE** that can apply while the account is open is 21% and the minimum **ANNUAL PERCENTAGE RATE** that can apply while the account is open is 5.0 %. Apart from this rate "cap" and rate "floor", there is no limit on the amount by which the rate can change daily.

Maximum Rate and Payment Example: If at the beginning of the draw period, the **ANNUAL PERCENTAGE RATE** equaled the 21% maximum rate and you had an outstanding balance of \$10,000.00, the minimum monthly payment would be \$175.00

Variable Rate Example: The following table shows how the annual percentage rate and the minimum monthly 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 June 1st 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, and that only the minimum payments were made each month. 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
1997	8.25	0.0	8.25	50.00
1998	8.50	0.0	8.50	50.00
1999	7.75	0.0	7.75	70.83
2000	8.50	0.0	8.50	70.83
2001	9.50	0.0	9.50	68.75
2002	4.75	0.0	4.75	N/A
2003	4.25	0.0	4.25	N/A
2004	4.00	0.0	4.00	N/A
2005	5.25	0.0	5.25	N/A
2006	7.25	0.0	7.25	N/A
2007	8.25	0.0	8.25	N/A
2008	5.00	0.0	5.00	N/A
2009	3.25	0.0	3.25	N/A
2010	3.25	0.0	3.25	NA
2011	3.25	0.0	3.25	NA

* This is a margin we have used recently.

By signing below, I/We acknowledge receipt of this disclosure as well as the handbook entitled "When Your Home Is On The Line; What You Should Know About Home Equity Lines Of Credit."
