

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 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 engage in fraud or material misrepresentation in connection with the line of credit;
- 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 greater of the following:

1. The amount of accrued finance charges on the last day of the Billing Cycle.

2. \$25.00.

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 120 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 the greater of the following:

1. An amortized payment of the Loan Account Balance outstanding on the last day of the Draw Period. This balance will be amortized over the remaining term of the agreement. The Minimum Payment will change whenever the annual percentage rate changes.
2. \$25.00.

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 20 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 10.500%. During that period, you would make 120 payments varying between \$100.00 and \$86.18 followed by 119 payments varying between \$109.60 and \$25.00, with a final payment of \$2,259.40.

Fees and Charges

To open and maintain a line of credit, you must pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$100.00 to \$750.00.

If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

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.

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%. Ask us for the current index value, margin, 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 1 month. The rate cannot increase or decrease by more than 18 percentage point(s) in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 18.000%. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 4.500%.

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 18.000% would be \$150.00. The maximum annual percentage rate during the draw period could be reached in the 2nd month (2 months) following an initial hold of 1 month. 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 18.000% would be \$180.19. The maximum annual percentage rate during the repayment period could be reached in the 1st month (1 month).

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 as of the first business day of April 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	3.250	2.500	5.750	100.00
2010	3.250	2.500	5.750	92.17
2011	3.250	2.500	5.750	86.57
2012	3.250	2.500	5.750	81.31
2013	3.250	2.500	5.750	76.37
2014	3.250	2.500	5.750	71.73
2015	3.250	2.500	5.750	67.38
2016	3.500	2.500	6.000	63.28
2017	4.000	2.500	6.500	59.59
2018	4.750	2.500	7.250	56.39
2019	^(o) 5.500	2.500	8.000	107.55
2020	3.250	2.500	5.750	91.55
2021	3.250	2.500	5.750	76.17
2022	3.500	2.500	6.000	63.38
2023	8.000	2.500	10.500	52.86

* 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.