



6 Month Discount

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 disclosed 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 mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Action: Under certain circumstances, we can terminate your Line, require you to pay us the entire outstanding balance plus interest in one payment, and charge you certain fees if:

1. You engage in fraud or material misrepresentation in connection with the Line.
2. You do not meet the repayment terms.
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. The value of the dwelling securing the Line declines significantly below its appraised value for the purposes of the Line.
2. We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial condition.
3. You are in default of a material obligation in the agreement.
4. 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% of the Line.
5. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
6. The maximum ANNUAL PERCENTAGE RATE is reached.

The agreement permits us to make changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements – You can obtain advances of credit for **10 years** (the “draw period”). During the draw period, payments will be due monthly. Your minimum monthly payment will equal all accrued interest as of the closing date of the billing cycle, plus any amounts past due. In no event however will the minimum payment be less than **\$25.00**.

Interest Only Payments - Your minimum monthly payment during the draw period **will not** reduce the amount of principal outstanding on this line of credit.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over **15 years** (the “repayment period”). During the repayment period, payments will be due monthly. Your minimum monthly payment will equal **1/180th** of the principal balance that was outstanding at the end of the draw period plus the interest that has accrued on the remaining balance. In no event however will the minimum payment be less than **\$25.00**. During the repayment period the annual percentage rate will continue to adjust monthly.

Minimum Payment Example: If you made only the minimum monthly payments 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 **2.99%**. During that period, you would make **120** monthly payments varying between **\$25.39** and **\$25.00***** followed by **180** monthly payments varying between **\$80.95** and **\$55.70**.

Fees and Charges: To open, maintain and discharge a line of credit, you may have to pay certain fees. These fees generally total between \$145.00 to \$950.00. If you ask, we will give you an itemization of the fees you will have to pay. The Lender may charge fees to your account for items such as a late fee of \$10.00 or 10% of the outstanding balance (whichever is less) after 15 days from due date.

Early Termination Fee – If you close this Line of Credit and request a discharge of the mortgage within **36 months** of the closing date, you will be subject to an Early Termination Fee of **\$500.00**.

Annual Fee – During the life of the program you will be assessed an Annual Fee of **\$50.00** on the anniversary date of the loan.

Property Insurance – You must carry insurance on the property that secures this Home Equity Line of Credit.

Flood Insurance – If applicable, you must carry flood insurance on the property that secures this Home Equity Line of Credit.

Minimum Draw Requirements – The minimum credit advance you can receive is **\$500.00**.

Initial Draw Requirement – If you do not request an initial draw of **\$10,000.00** at closing and maintain an outstanding balance of the same amount for **90 Days**, you will be subject to a processing fee of **\$500.00**.

Tax Deductibility – You should consult a tax advisor regarding the deductibility of interest and charges on this Home Equity Line of Credit.

Discount - The initial annual percentage rate is "discounted" - that is, it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect until the beginning of the **7th** monthly billing cycle.

Variable Rate Information – The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment can change as a result. The annual percentage rate includes only interest and not other costs.

The annual percentage rate is determined by adding the margin to the value of an index. The index is the Prime Rate published in the Money Rates section of The Wall Street Journal (if more than one Prime Rate is published, the higher rate shall be used), as most recently published at the beginning of each monthly billing cycle.

Ask us for the current index value, margin or discount, if applicable, and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes – The annual percentage rate can change at the beginning of each monthly billing cycle. The maximum **ANNUAL PERCENTAGE RATE** that can apply is **18.0%**. Other than the initial rate, the minimum Annual Percentage Rate that can apply is **2.99%**.

Other than as disclosed in this paragraph, there are no annual or more frequent periodic limitations on changes in the Annual Percentage Rate.

Maximum Rate and Payment Examples – If you had an outstanding balance of \$10,000 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of **18.0%** would be **\$152.88**. This annual percentage rate could be reached during the **7th** full monthly billing cycle of the draw period. If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of **18.0%** would be **\$208.44**. This annual percentage rate could be reached at the start of the **1st** monthly billing cycle of the repayment period.

Historic 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 the last business day in the Index month 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 payments were made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

YEAR	REPAYMENT PERIOD STARTS	SEPTEMBER INDEX RATE	MARGIN – <small>This is a margin we have used recently</small>	*ANNUAL PERCENTAGE RATE <small>(Rounded if applicable)</small>	MINIMUM MONTHLY PAYMENT
2002	<input type="checkbox"/>	4.75%	-0.51	1.99%**	25.00***
2003	<input type="checkbox"/>	4.00%	-0.51	3.49%	29.49
2004	<input type="checkbox"/>	4.75%	-0.51	4.24%	35.73
2005	<input type="checkbox"/>	6.75%	-0.51	6.24%	52.73
2006	<input type="checkbox"/>	8.25%	-0.51	7.74%	65.40
2007	<input type="checkbox"/>	7.75%	-0.51	7.24%	61.18
2008	<input type="checkbox"/>	5.00%	-0.51	4.49%	37.84
2009	<input type="checkbox"/>	3.25%	-0.51	2.99%*	25.27
2010	<input type="checkbox"/>	3.25%	-0.51	2.99%*	25.25
2011	<input type="checkbox"/>	3.25%	-0.51	2.99%*	25.24
2012	<input checked="" type="checkbox"/>	3.25%	-0.51	2.99%*	80.36
2013	<input type="checkbox"/>	3.25%	-0.51	2.99%*	78.75
2014	<input type="checkbox"/>	3.25%	-0.51	2.99%*	77.07
2015	<input type="checkbox"/>	3.25%	-0.51	2.99%*	75.39
2016	<input type="checkbox"/>	3.50%	-0.51	2.99%	73.65

*The Annual Percentage Rate has been adjusted to reflect any applicable interest rate caps.

** The Annual Percentage Rate reflects a discount we have use recently.

*** Minimum Payment Amount