

# IMPORTANT TERMS OF YOUR HOME EQUITY LINE OF CREDIT

**Retention of Information:** This disclosure contains important information about your 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:** We can terminate your credit line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if: (i) You engage in fraud or material misrepresentation in connection with the line; (ii) You do not meet the repayment terms; (iii) 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: (i) Any of the reasons mentioned above exist; (ii) The value of the dwelling securing the line declines significantly below its appraised value for purposes of this line; (iii) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (iv) You are in default of a material obligation in the agreement; (v) 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; (vi) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; (vii) The maximum **ANNUAL PERCENTAGE RATE** is reached. The initial agreement permits us to make certain 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**"). At our option, we may renew or extend the Draw Period. During the Draw Period, your minimum payment will equal the total of (a) the periodic finance charges, and other fees, charges and costs including without limitation, any other expenses or advances incurred by us under the Security Instrument; (b) accrued but unpaid interest for prior Billing Cycles; and (c) premiums for any optional credit life insurance. The Draw Period will be followed by a "Repayment Period" of **20** years. During the Repayment Period, if any, your minimum payment will equal 1/ **240** of your unpaid Account Balance at the end of the Draw Period, plus all periodic finance charges, and other fees, charges, and costs. All payments will be due monthly.

- The minimum payments may not be sufficient to fully repay the principal that is outstanding on your line. If they are not, you will be required to pay the entire outstanding balance in a single payment and a balloon payment may result.
- Your minimum payments will not repay the principal that is outstanding on your line. You will be required to pay the entire outstanding balance in a single payment.

**Minimum Payment Example:** If you received an Advance of \$10,000 and made only the minimum monthly payments and took no other credit advances, it would take the following amount of time to repay this loan. For the (i) 10-year Draw Period followed by a 0-year Repayment Period, it would take 120 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period, you would make 119 monthly payments of \$70.83 followed by 1 payment of \$10,070.83; (ii) 10-year Draw Period followed by a 5-year Repayment Period, it would take 180 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period you would make 120 monthly payments of \$70.83 followed by 60 monthly payments between \$237.50 and \$167.85; (iii) 10-year Draw Period followed by a 10-year Repayment Period, it would take 240 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period, you would make 120 monthly payments of \$70.83 followed by 120 monthly payments between \$154.17 and \$83.92; (iv) 10-year Draw Period followed by a 15-year Repayment Period, it would take 300 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period, you would make 120 monthly payments of \$70.83 followed by 180 monthly payments between \$126.39 and \$55.95; (v) 10-year Draw Period followed by a 20-year Repayment Period, it would take 360 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 8.50%. During that period, you would make 120 monthly payments of \$70.83 followed by 240 monthly payments between \$112.50 and \$41.96.

**Fees and Charges:** To open and maintain a line of credit, you must pay the following fees to us:

|                  |        |                  |        |
|------------------|--------|------------------|--------|
| Annual Fee of \$ | N/A    |                  |        |
| Processing Fee   | 200.00 | Underwriting Fee | 195.00 |

Unless otherwise noted, all fees will be paid at closing. You also must pay certain fees to third parties. These fees generally total between \$0 and \$2500. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Property Insurance:** You must carry insurance on the property that secures the line. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available. You may select the insurance company of your choice, provided the company and coverage meet our requirements.

**Transaction Requirements:** The minimum Initial Advance is \$ **N/A**. Subsequently, the minimum advance is \$ **N/A**. You must maintain an outstanding balance of at least \$ **N/A**.

**Negative Amortization:** Under some circumstances, your payments will not cover the finance charges that accrue and "negative amortization" will occur. Negative amortization will increase the amount that you owe us and reduce your equity in the dwelling.

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

**Other Products:** If you ask, we will provide you with information on our other available home equity lines.

**Variable-Rate Information:** The Agreement has a variable **ANNUAL PERCENTAGE RATE**. The **ANNUAL PERCENTAGE RATE** and the amount and/or number of Minimum Payment may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and not other costs. The Initial **ANNUAL PERCENTAGE RATE** may be "discounted." Any discounted rate is not based on the index and margin used for later rate adjustments. The discounted initial rate will be in effect for the first **N/A** months your credit line is open.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index, and we may add a margin to the value of the Index. The "Index" is **Prime Rate** as published in the Wall Street Journal.

Ask us for the current index value, margin and **ANNUAL PERCENTAGE RATE**. After you open a credit line, rate information will be provided on periodic statements that we will send you.

**Rate Changes:** The **ANNUAL PERCENTAGE RATE** may be adjusted on the first day of each billing cycle (each, a "Change Date"). Each change in the **ANNUAL PERCENTAGE RATE** (and the related Daily Periodic Rate) will take effect without prior notice and will apply to both new Advances and your Account Balance. The maximum **ANNUAL PERCENTAGE RATE** that can apply is **18.000 %**, subject to state limitations. Except for this **18.000 % "cap,"** there is no limit on the amount by which the rate can increase or decrease during any one-year period.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 during the Draw Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$150.00. This annual percentage rate could be reached during the first month of the Draw Period. During the Repayment Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$316.67 during the 10-year Draw Period followed by the 5-year Repayment Period; \$233.33 during the 10-year Draw Period followed by a 10-year Repayment Period; \$205.56 during the 10-year Draw Period followed by a 15-year Repayment Period; and \$191.67 during the 10-year Draw Period followed by a 20-year Repayment Period.

**Historical 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 January 1 of each year. While only one payment amount per year is shown, payments during the Draw and Repayment Periods 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.

|             |                  |                                 |                                   | <b>MINIMUM MONTHLY PAYMENT FOR A 10-YEAR DRAW PERIOD FOLLOWED BY A</b> |                                 |                                  |                                  |                                  |
|-------------|------------------|---------------------------------|-----------------------------------|--|---------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>Year</b> | <b>Index (%)</b> | <b>Margin<sup>(1)</sup> (%)</b> | <b>ANNUAL PERCENTAGE RATE (%)</b> | <b>0-Year Repay Period (\$)</b>  | <b>5-Year Repay Period (\$)</b> | <b>10-Year Repay Period (\$)</b> | <b>15-Year Repay Period (\$)</b> | <b>20-Year Repay Period (\$)</b> |
| 2009        | 3.250            | 1.000                           | 3.750 <sup>(2)</sup>              | 31.25  | 31.25                           | 31.42                            | 31.42                            | 31.42                            |
| 2010        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2011        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2012        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2013        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2014        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2015        | 3.250            | 1.000                           | 4.250                             | 35.42  | 35.42                           | 35.42                            | 35.42                            | 35.42                            |
| 2016        | 3.500            | 1.000                           | 4.500                             | 37.50  | 37.50                           | 37.50                            | 37.50                            | 37.50                            |
| 2017        | 3.750            | 1.000                           | 4.750                             | 39.58  | 39.58                           | 39.58                            | 39.58                            | 39.58                            |
| 2018        | 4.500            | 1.000                           | 5.500                             | 45.83 <sup>(3)</sup>   | 45.83                           | 45.83                            | 45.83                            | 45.83                            |
| 2019        | 5.500            | 1.000                           | 6.500                             |  | 220.83 <sup>(4)</sup>           | 137.50 <sup>(4)</sup>            | 109.72 <sup>(4)</sup>            | 95.93 <sup>(4)</sup>             |
| 2020        | 4.750            | 1.000                           | 5.750                             |  | 205.00                          | 126.46                           | 100.28                           | 87.19                            |
| 2021        | 3.250            | 1.000                           | 4.250                             |  | 187.92                          | 111.67                           | 86.25                            | 73.54                            |
| 2022        | 3.250            | 1.000                           | 4.250                             |  | 180.83                          | 108.13                           | 83.89                            | 71.77                            |
| 2023        | 7.500            | 1.000                           | 8.500                             |  | 180.83 <sup>(5)</sup>           | 125.83                           | 107.50                           | 98.33                            |

(1) This is a margin we have used recently. Your margin may be different.

(2) The initial **ANNUAL PERCENTAGE RATE** shown is discounted. If your Home Equity Line of Credit provides for an initial discounted rate, your initial discounted rate may be different.

(3) A balloon payment in the amount of \$10,000.00 is due at the end of the Draw Period.

(4) The Repayment Period begins this year.

(5) This loan is paid off in this year.

By signing below, you acknowledge receipt of a copy of this disclosure statement and a copy of the Consumer Financial Protection Bureau Handbook entitled "What You Should Know About Home Equity Lines of Credit."