



### **Early Disclosure 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 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 you 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 Actions:** Under certain circumstances we can

1. Terminate your line and require you to pay us the entire outstanding balance in one payment;
2. Refuse to make additional extensions of credit;
3. Reduce your credit limit;
4. Make specific changes that are set forth in your agreement with us.

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

**Minimum Payment Requirements:** Your payments will be due monthly and will equal the amount of interest owed for that monthly billing period. Your minimum payments will not repay the principal that is outstanding on your line. You may be required to pay the entire outstanding balance in a single payment.

**Termination Date:** The Termination Date will be 5 years from the original note date and will automatically extend from year to year after this date, unless we give you notice to the contrary at least 30 days prior to the annual anniversary of the date of the note.

**Minimum Payment Examples:**

- Loan to Value Less than 80% - If you took a single \$10,000 advance and the ANNUAL PERCENTAGE was 8.250%, you would make 59 interest only payments in the amount of \$68.75 and one final payment of \$10,068.75.
- Loan to Value Greater than 80% - If you took a single \$10,000 advance and the ANNUAL PERCENTAGE was 10.250%, you would make 59 interest only payments in the amount of \$85.42 and one final payment of \$10,085.42.

**Annual Percentage Rates:**

- Loan to Value Less than 80% - A recent ANNUAL PERCENTAGE RATE imposed on our Line of Credit was 8.250%. The ANNUAL PERCENTAGE RATE includes only interest and not other costs.
- Loan to Value Greater than 80% - A recent ANNUAL PERCENTAGE RATE imposed on our Line of Credit was 10.250%. The ANNUAL PERCENTAGE RATE includes only interest and not other costs.

**Fees and Charges:** To open and maintain a line of credit, you must pay us the following estimated fee: \$35.00 Annual maintenance fee, due each year.

You must also pay certain fees to third parties to open a line. These fees generally total between \$40 and \$600. If you ask, we will give you an itemization of the fees you will have to pay the third parties.

**Minimum Draw Requirement:** The minimum credit advance you can receive is \$1.00.

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

**Variable-Rate Feature:** The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) 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 highest prime rate published in the **Wall Street Journal “Money Rate” table**. To determine the annual percentage rate that will apply to your line, we subtract a margin from the value of the index. 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 send you.

**Rate Changes:** The annual percentage rate can change monthly. The **maximum ANNUAL PERCENTAGE RATE** that can apply during the term of your line of credit is 18%. The ANNUAL PERCENTAGE RATE will never be less than 4.00%. Apart from this rate “cap”, there is no limit on the amount by which the rate can change during any one-year period.—Any increase will take the form of an increased portion of your payments going toward the interest charges.

**Finance Charges:** Begin to accrue on the date your draws are posted to your account.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 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.

**Historical Example:** The following table shows how the annual percentage rate and the minimum monthly payment 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 July 1<sup>st</sup> of each year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, 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.

<u>Year</u>	<u>Index</u>	<u>*Margin</u>	<u>**APR</u>		<u>Monthly Interest Payment</u>
2009	3.25%	-	4.00%	(1)	\$33.33
2010	3.25%	-	4.00%	(1)	\$33.33
2011	3.25%	-	4.00%	(1)	\$33.33
2012	3.25%	-	4.00%	(1)	\$33.33
2013	3.25%	-	4.00%	(1)	\$33.33
2014	3.25%	-	4.00%	(1)	
2015	3.25%	-	4.00%	(1)	
2016	3.50%	-	4.00%	(1)	
2017	4.25%	-	4.25%		
2018	5.00%	-	5.00%		
2019	5.50%	-	5.50%		
2020	3.25%	-	4.00%	(1)	
2021	3.25%	-	4.00%	(1)	
2022	4.75%	-	4.75%		
2023	8.25%	-	8.25%		

\*This is a margin we have used recently.

\*\*ANNUAL PERCENTAGE RATE.

<u>Year</u>	<u>Index</u>	<u>*Margin</u>	<u>**APR</u>		<u>Monthly Interest Payment</u>
2009	3.25%	2.00%	5.25%		\$43.75
2010	3.25%	2.00%	5.25%		\$43.75
2011	3.25%	2.00%	5.25%		\$43.75
2012	3.25%	2.00%	5.25%		\$43.75
2013	3.25%	2.00%	5.25%		\$43.75
2014	3.25%	2.00%	5.25%		
2015	3.25%	2.00%	5.25%		
2016	3.50%	2.00%	5.50%		
2017	4.25%	2.00%	6.25%		
2018	5.00%	2.00%	7.00%		
2019	5.50%	2.00%	7.50%		
2020	3.25%	2.00%	5.25%		
2021	3.25%	2.00%	5.25%		
2022	4.75%	2.00%	6.75%		
2023	8.25%	2.00%	10.25%		

(1) This APR reflects a lifetime floor of 4.00%.

I have received a complete copy of this disclosure statement.

Dated \_\_\_\_\_

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower