



15/15 HOME EQUITY LINE OF CREDIT DISCLOSURE

This disclosure contains important information about our Home Equity Lines of Credit. You should be sure to make and retain a copy of this Disclosure.

**Availability of Terms:** All of the terms described below are subject to change. If these terms change (other than the ANNUAL PERCENTAGE RATE [APR]) 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 paid to us or anyone else in connection with your application.

**Term of the Draw Period:** 180 months (15 Years).

**Term of the Repayment Period:** 180 months (15 Years).

**Interest Rate Type:** Variable Rate.

**Index:** Prime Rate as published in the Wall Street Journal.

**Discount Period Interest Rate:** The interest rate on the line of credit will be discounted for the first twelve (12) months. Currently, the discounted rate is 5.99%, fixed for the first twelve months. This equates to an annual percentage rate of 6.0713% and a periodic rate of .01663%. The APR does not include costs other than interest.

**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.

**Minimum Payment Requirements:** You can obtain credit advances for 15 years. During this period, payments will be due monthly. Your required payment will be equal the amount of the accrued FINANCE CHARGES (“First Payment Stream”). You will make 180 of these payments and your payments will be due monthly. Based on the APR in effect at this time, and assuming a \$10,000 unchanging balance, your minimum payment would be approximately \$62.49. The number of days in a billing cycle and any changes in the interest rate may increase or decrease the amount of the Regular Payment. The Required Payment during the first payment stream will not reduce the principal that is outstanding on your credit line.

After completion of the First Payment Stream, your Regular Payment will be based on an amortization of your outstanding balance at the start of this payment period as shown below (“Second Payment Stream”). During the repayment period, your minimum payment will range from a low of \$116.85 to a high of \$205.56, based on the APR in effect at this time.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	180	180 Payments

Your “Regular Payment” will equal the amount of your accrued **FINANCE CHARGES** (“First Payment Stream”). Your payments will be due monthly. Your First Payment Stream will last for the first 180 months. Your “Minimum Payment” will be the Regular Payment, plus any amount past due and all other charges. An increase in the **ANNUAL PERCENTAGE RATE** may increase the amount of your Regular Payment. The Minimum Payment during the First Payment Stream will not reduce the principal that is outstanding on your Credit Line.

After completion of the First Payment Stream, your “Regular Payment” will be based on 1/180<sup>th</sup> (0.555556%) percent of your balance at the start of this payment period (“Second Payment Stream”) plus all accrued **FINANCE CHARGES** as shown below or \$25.00, whichever is greater. Your payments will be due monthly.

**Property Insurance:** You must carry insurance (and flood insurance if applicable) equal to at least the face amount of the line of credit on the property that secures the loan. This is in addition to insurance sufficient to cover any other loan (e.g., a first mortgage) secured by the property that secures this line of credit.

**Fees and Charges:** In order to open and maintain an account, you must pay certain fees and charges.

**Lender Fees.** The following fees must be paid to us:

Description:	Amount	When Charged
Annual fee	\$50	Annually on the anniversary date of your home equity line
Document prep fee	\$200	At Account Opening

**Third-party fees:** You must pay certain fees such as appraisers, credit reporting firms, and government agencies. These third-party fees generally total between \$25.00 and \$750 but can exceed that amount depending on the loan amount and the approval conditions. Upon request, we will provide you an itemization of the fees you may have to pay to third parties.

**Final Payment:** On the maturity date, you must pay any remaining loan account balance outstanding.

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

**Possible Action:** 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; and (3) reduce your credit limit.

**Termination and Acceleration:** We can terminate your account and require you to pay us the entire outstanding balance in one payment if: (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms, or (3) your action or inaction adversely affects the collateral or our rights in the collateral.

**Suspension or Reduction:** We can refuse to make additional extensions of credit or reduce your credit limit 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; (4) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (5) we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (6) you are in default of a material obligation of the agreement; (7) 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 125 percent of the credit line; (8) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice; or (9) the maximum annual percentage rate is reached.

**Change in Terms:** We may make changes to the terms of your account if you agree to the change in writing at that time. If the change will unequivocally benefit you throughout the remainder of the account term, or if the change is insignificant (such as changes relating to our data processing system).

**Variable Rate Features:** The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

**Annual Percentage Rate:** The annual percentage rate is based on the value of an INDEX plus a margin. The INDEX is the highest base rate on corporate loans at large U. S. money center commercial banks that The Wall Street Journal publishes as the Prime Rate and is published daily in The Wall Street Journal. To determine the annual percentage rate that will apply to your account, we will use the most recent index value available to us as of the date of any annual percentage rate adjustment and add a margin of point five zero percent (.50%). Ask us for the current index value 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 change will take effect on the first day of the next billing cycle. There is no limit on the amount by which the rate can change in any One-Year period. At no time will your rate be lower than 3.25%, and the maximum ANNUAL PERCENTAGE RATE that can apply during the loan is 18%.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 during the draw period, the required monthly payment at the ANNUAL PERCENTAGE RATE of 18% would be \$150.00. If you had an outstanding balance of \$10,000 at the beginning of the repayment period (Second Payment Stream), the required monthly payment would be \$205.56.

**Historical Examples:** The following table shows how the annual percentage rate and the required payments for a single \$10,000 credit advance would have changed based on changes in the index over the last 30 years. The index values are from the first business day of August. While only one payment amount per year is shown, payments would have varied during each year of the draw period. The table assumes that no additional credit advances were taken, that only the interest 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. It also does not reflect the payment amount during the period in which the Discount Interest Rate is applied.

Draw Period	Year	Index	Margin	Annual Percentage Rate	Monthly Interest- Only Payments (Payment Stream #1)
	2011	5.99%*	0.00%	5.059%	\$49.92
	2012	3.25%	0.00%	3.295%	\$27.08
	2013	3.25%	0.00%	3.295%	\$27.08
	2014	3.25%	0.00%	3.295%	\$27.08
	2015	3.25%	0.00%	3.295%	\$27.08
	2016	3.50%	0.00%	3.548%	\$29.17
	2017	4.25%	0.00%	4.309%	\$35.47
	2018	5.00%	0.00%	5.069%	\$41.67
	2019	5.25%	0.00%	5.323%	\$43.75
	2020	3.25%	0.00%	3.295%	\$27.08
	2021	3.25%	0.00%	3.295%	\$27.08
	2022	3.25%	0.00%	3.295%	\$27.08
	2023	8.50%	0.00%	8.618%	\$70.83
	2024	8.50%	0.00%	8.618%	\$70.83
	2025	7.50%	0.00%	8.618%	\$62.49

\*This is a discounted rate we have used recently

**BORROWER ACKNOWLEDGEMENT**

This is not a commitment to make a loan. The Borrower(s), after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement, and further acknowledges that this Disclosure

was completed in full prior to its receipt. The Borrower(s) also acknowledges receipt of the handbook entitled “What you should know about Home Equity Lines of Credit.

Date: \_\_\_\_\_



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Borrower



\_\_\_\_\_

Co-Borrower