



IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. THE INFORMATION FOR ALL PLANS IS THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

Availability of Terms

All 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/Deed of Trust on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment, or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing, or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Mortgages/Deeds of Trust senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120.00% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Home Equity Plans

We offer two (2) Home Equity Lines of Credit. The Plans differ based on the minimum Annual Percentage Rate. Plan 1 provides for a minimum **ANNUAL PERCENTAGE RATE** of 3.99%, whereas Plan 2 provides for a minimum **ANNUAL PERCENTAGE RATE** of 4.75%.

The minimum Annual Percentage Rate for your plan will be based on the Combined Loan-to-Value (CLTV) ratio for your plan. The CLTV ratio is calculated by adding the current outstanding debt(s) secured by liens against the property to the maximum credit limit that will be established for your account, and dividing that amount by the value of the property. Plans with lower CLTV ratios are subject to a lower minimum Annual Percentage Rate, and plans with higher CLTV ratios are subject to a higher minimum Annual Percentage Rate.

Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, your minimum periodic payment will be established at the time of each advance to the amount necessary to fully amortize your unpaid balance over 180 months as measured from the date of such advance, using the interest rate then in effect, subject to the lesser of \$50.00 or your account balance. During the draw period, your minimum periodic payment may also change based on changes in the interest rate. In the event of an interest rate change that does not coincide with a credit advance, your minimum periodic payment will be established at the amount necessary to fully amortize your unpaid balance over the remainder of the amortized term established at the time of the most recent credit advance, using the interest rate then in effect, subject to the lesser of \$50.00 or your account balance. After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance but in no event will exceed 120 months. During the repayment period, your minimum periodic payment will be established on the first day of the repayment period, and any subsequent change in the interest rate, to the amount necessary to fully amortize your unpaid balance by the agreement maturity date, subject to the lesser of \$50.00 or your account balance.

Minimum Payment Example

Plan 1

If you made only the minimum payments and took no other credit advances, it would take 214 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.99%. During that period, you would make 120 monthly payments of \$73.92, followed by 93 monthly payments of \$50.00, and a final payment of \$29.15.

Plan 2

If you made only the minimum payments and took no other credit advances, it would take 221 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 120 monthly payments of \$77.78, followed by 100 monthly payments of \$50.00, and a final payment of \$37.69.

Fees and Charges

To open a line of credit, you will have to pay certain fees to third parties. These fees generally range from \$50.00 to \$2,000.00. If you ask, we will give you an itemization of the fees you may have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan.

Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

Variable Rate

These plans have a variable-rate feature and the Annual Percentage Rate (corresponding to the periodic rate), and the amount of your payments can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the highest Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the last day of each calendar quarter of each year. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, your margin, and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change quarterly. There is no limit on the amount by which the interest rate can change during any one-year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this account.

The minimum **ANNUAL PERCENTAGE RATE** at any time for our plan 1 lines of credit is 3.99%.

The minimum **ANNUAL PERCENTAGE RATE** at any time for our plan 2 lines of credit is 4.75%.

The maximum **ANNUAL PERCENTAGE RATE** at any time for all plans is 18.00%.

Maximum Rate and Payment Examples

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$161.06. This Annual Percentage Rate could be reached during the 1st month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$180.19. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2007. The index is from The Wall Street Journal and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the 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 the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2007	8.25	0.00	0.50	8.25%	8.75%	DRAW	\$97.02	\$99.95
2008	7.25	0.00	0.50	7.25%	7.75%	DRAW	\$91.58	\$94.42
2009	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2010	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2011	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2012	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2013	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2014	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2015	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2016	3.50	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	DRAW	\$75.97	\$79.71
2017	3.75	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	REPAYMENT	\$50.00 ⁽⁵⁾	\$50.00 ⁽⁵⁾
2018	4.50	0.00	0.50	4.50%	5.00%	REPAYMENT	\$50.00 ⁽⁵⁾	\$50.00 ⁽⁵⁾
2019	5.50	0.00	0.50	5.50%	6.00%	REPAYMENT	\$50.00 ⁽⁵⁾	\$50.00 ⁽⁵⁾
2020	4.75	0.00	0.50	4.75%	5.25%	REPAYMENT	\$50.00 ⁽⁵⁾	\$50.00 ⁽⁵⁾
2021	3.25	0.00	0.50	3.99% ⁽³⁾	4.75% ⁽⁴⁾	REPAYMENT	\$50.00 ⁽⁵⁾	\$50.00 ⁽⁵⁾

(1) This represents a margin (which we have recently used), annual Percentage rate, and minimum payments for our Plan 1 lines of credit.

(2) This represents a margin (which we have recently used), annual Percentage rate, and minimum payments for our Plan 2 lines of credit.

(3) This represents the 3.99% minimum interest rate for our Plan 1 lines of credit.

(4) This represents the 4.75% minimum interest rate for our Plan 2 lines of credit.

(5) This represents the \$50.00 minimum payment.