

# EARLY DISCLOSURE OF IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT (Variable Rate)

This disclosure contains important information about the Home Equity Line of Credit you are considering. You should read it carefully and keep a copy for your records.

**1. 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. Any application fee or other charge paid by you  is refundable  is not refundable if the application is denied or the loan is not closed for a reason other than a change of terms.

**2. 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.

**3. 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; and (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.

#### 4. Minimum Payment Requirements:

You can obtain advances of credit for 120 months (the "Draw Period"). During the Draw Period, payments will be due Monthly. Your minimum payment will equal:  
All finance charges that accrued on the unpaid balance during the preceding monthly billing period. You are also required to pay any past due payments and amounts which exceed your credit limit, plus credit life insurance premiums (if any).

The minimum payment will not fully repay the principal that is outstanding on your line, and you will then be required to pay the entire balance in a single final payment. After the Draw Period ends you will no longer be able to obtain credit advances and must repay the outstanding balance immediately.

**5. Minimum Payment Example:** If you took a single \$10,000 advance and the **ANNUAL PERCENTAGE RATE** was 8.500 %, it would take 120 months to pay off the balance if you made only the minimum payments and the single final payment. During the Draw Period, you would make 119 payments varying between \$ 70.83 and \$ 70.83 and one final payment of \$ 10,070.83.

**6. Fees And Charges:** To open and maintain a line of credit, you must pay us the following fees: Application fee: \$ n/a (due at application); Points: n/a % of credit limit (due when account opened); Annual membership fee: \$ n/a (due each year); n/a.

You must also pay certain fees to third parties to open a line. These fees generally total between \$ 14.00 and \$ 1,307.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties. You must carry insurance on the property that secures the home equity credit agreement. Finance Charges begin to accrue on the date loans are posted to the account.

**7. Minimum Draw And Balance Requirements:** The minimum credit advance you can receive is \$ 500.00.

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

**9. Variable Rate Feature:** This plan contains a variable rate feature and the **ANNUAL PERCENTAGE RATE** (corresponding to the periodic rate) and the  minimum payment  final payment, 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:

Is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily in the Wall Street Journal.

To determine the **ANNUAL PERCENTAGE RATE** that will apply to your line, we add or subtract a margin to the value of the index.  If checked, the initial **ANNUAL PERCENTAGE RATE** is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for n/a, unless the minimum **ANNUAL PERCENTAGE RATE** that can apply to your line is higher than the applicable index and margin. Ask us for the current index value, margin, discount or premium and **ANNUAL PERCENTAGE RATE**. After you open a credit line, rate information will be provided on periodic statements that we send you.

**10. Rate Changes:** The **ANNUAL PERCENTAGE RATE** can change Monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000% and the minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.000%. Apart from this rate "cap" and "floor," there is no limit on the amount by which the rate can change at any time or over any period.  The minimum **ANNUAL PERCENTAGE RATE** is not applicable until the first rate change.

**11. Maximum Rate And Payment Examples:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 % would be \$ 150.00. This **ANNUAL PERCENTAGE RATE** could be reached during the first rate adjustment of the Draw Period.

**12. Historical Example:** The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum 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 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 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.

**Historical Example Of Index Rate Changes For This Product**

YEAR	INDEX (%)	MARGIN (%) *	ANNUAL PERCENTAGE RATE (%)	MINIMUM PAYMENTS (\$)	INDEX CODES
2010	3.250%	0.000%	4.000 % M	\$33.33	
2011	3.250%	0.000%	4.000 M	33.33	A = Adjustment Cap
2012	3.250%	0.000%	4.000 M	33.33	D = Discounted Rate
2013	3.250%	0.000%	4.000 M	33.33	L = Life Cap
2014	3.250%	0.000%	4.000 M	33.33	M = Maximum/Minimum
2015	3.250%	0.000%	4.000 M	33.33	Rate Cap
2016	3.500%	0.000%	4.000 M	33.33	P = Payment Cap
2017	4.250%	0.000%	4.250	35.42	PR = Premium Rate
2018	5.000%	0.000%	5.000	41.67	
2019	5.250%	0.000%	5.250	43.75	
2020	3.250%	0.000%	4.000 M	0.00	
2021	3.250%	0.000%	4.000 M	0.00	
2022	3.250%	0.000%	4.000 M	0.00	
2023	7.500%	0.000%	7.500	0.00	
2024	8.500%	0.000%	8.500	0.00	

All Annual Percentage Rates have been rounded to the nearest n/a %.

\* This is a margin we have used recently.

\*\* This is a discount we have used recently.

\*\*\* This is a premium we have used recently.

**13. Additional Terms:**

n/a

**Acknowledgment:** The undersigned acknowledges receipt of a completed copy of this Disclosure and the brochure titled *What You Should Know About Home Equity Lines of Credit*.

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

Signature \_\_\_\_\_

Signature \_\_\_\_\_