

# IMPORTANT TERMS of our HOME EQUITY LINE 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 TERMS FOR ALL PLANS ARE 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 Deed of Trust/Mortgage 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 Deeds of Trust/Mortgages 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% 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.

## Minimum Payment Requirements

You can obtain credit advances for 118 months (the draw period). During the draw period, payments will be due on a monthly basis. Your Minimum Periodic Payment will be established at the close of each billing cycle at an amount equal to all accrued but unpaid finance charges.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance (the repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 240 months. During the repayment period, your minimum periodic payment will be established at the close of each billing cycle at an amount equal to the lesser of: (i) the sum of all accrued yet unpaid finance charges due plus a fixed principal amount equal to the greater of 1/240th of the principal balance outstanding on the first day of the repayment period or \$50.00; or (ii) your account balance.

## Minimum Payment Examples

### No Introductory Rate

If you made only the minimum payments and took no other credit advances, it would take 318 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 118 monthly payments of \$27.09, followed by 199 monthly payments varying between \$77.09 and \$50.27, and a final payment of \$50.14.

### 12 Month Introductory Rate

If you made only the minimum payments and took no other credit advances, it would take 318 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 118 monthly payments of \$27.09, followed by 199 monthly payments varying between \$77.09 and \$50.27, and a final payment of \$50.14.

### 24 Month Introductory Rate

If you made only the minimum payments and took no other credit advances, it would take 318 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 118 monthly payments of \$27.09, followed by 199 monthly payments varying between \$77.09 and \$50.27, and a final payment of \$50.14.

## Fees And Charges

To open and maintain a line of credit, you will be required to pay us an annual fee of \$50.00 (due each year beginning when your account is opened).\* You may also have to pay certain fees to third parties. These fees generally total from \$70.00 to \$2,000.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

\*The annual fee may be waived under certain circumstances. Please ask a representative for details.

## Insurance

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

## Minimum Draw And Balance Requirements

For plans with an introductory rate, the minimum initial credit advance you can receive is \$\_\_\_\_\_ (such amount must be used to pay existing debt owed to third parties).

## Tax Deductibility

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

## Variable Rate Feature

Your account will be subject to a variable rate. If your account has a discounted introductory rate feature, it will be subject to a variable rate upon the expiration of the introductory rate period. The Annual Percentage Rate (corresponding to the periodic rate), the number and amount of your minimum payments during the draw and the repayment periods 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 day that your account is established (or on the day that any introductory rate period expires), and subsequently, on the last business day of each calendar month 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, then divide that sum by 365 and multiply the resulting value by the number of days in the applicable year. Ask us for the current index value, margin, discount 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 monthly. If your account has a discounted introductory rate feature, your Annual Percentage Rate can change on the day the introductory rate period expires and then monthly thereafter. There is no limit on the amount by which the interest rate can change during any one year period other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account. Except for during any introductory rate period, the minimum **ANNUAL PERCENTAGE RATE** at any time is 2.75%. The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

## Discounted Introductory Rates

### 12 Month Introductory Rate

For plans with a 12 month introductory rate, for the 12 month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account during that period will be 1.99%\*. Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is discounted; it is not based on the index and margin used for later adjustments.

\* This represents an introductory rate that we have used recently.

### 24 Month Introductory Rate

For plans with a 24 month introductory rate, for the 24 month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account during that period will be 2.40%\*. Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is discounted; it is not based on the index and margin used for later adjustments.

\* This represents an introductory rate that we have used recently.

## Preferred Rate

Except for accounts that do not meet our underwriting requirements, if you agree to establish a \_\_\_\_\_ account, your margin will be reduced by \_\_\_\_\_%, or, if you agree to establish a \_\_\_\_\_ account, your margin will be reduced by \_\_\_\_\_%.

## Maximum Rate And Payment Examples

### No Introductory Rate

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 \$150.02. 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 \$200.02. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

### 12 Month Introductory Rate

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 \$150.02. This Annual Percentage Rate could be reached during the 13th 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 \$200.02. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

### 24 Month Introductory Rate

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 \$150.02. This Annual Percentage Rate could be reached during the 25th 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 \$200.02. 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 indexes are from The Wall Street Journal and the Federal Reserve Bulletin and are calculated on the 1st business day of May 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 (1)	ANNUAL PERCENTAGE RATE				Payment Period	Minimum Payment		
			(2)	(3)	(4)			(2)	(3)	(4)
2007	8.25%	0.00	8.25%	1.99% (5)	2.40% (6)	DRAW		\$68.76	\$16.59	\$20.00
2008	5.00%	0.00	5.00%	5.00%	2.40% (6)	DRAW		\$41.67	\$41.76	\$20.00
2009	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2010	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2011	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2012	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2013	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2014	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2015	3.25%	0.00	3.25%	3.25%	3.25%	DRAW		\$27.09	\$27.09	\$27.09
2016	3.50%	0.00	3.50%	3.50%	3.50%	DRAW		\$29.17	\$29.17	\$29.17
2017	4.00%	0.00	4.00%	4.00%	4.00%	REPAYMENT		\$83.00	\$83.00	\$83.00
2018	4.75%	0.00	4.75%	4.75%	4.75%	REPAYMENT		\$86.82	\$86.82	\$86.82
2019	5.50%	0.00	5.50%	5.50%	5.50%	REPAYMENT		\$89.88	\$89.88	\$89.88
2020	3.25%	0.00	3.25%	3.25%	3.25%	REPAYMENT		\$71.94	\$71.94	\$71.94
2021	3.25%	0.00	3.25%	3.25%	3.25%	REPAYMENT		\$70.31	\$70.31	\$70.31

(1) This represents the Margin (which we have recently used).

(2) This represents the annual percentage rate and minimum payments for our lines of credit that do not have an introductory rate.

(3) This represents the annual percentage rate and minimum payments for our lines of credit that have a 12 month introductory rate.

(4) This represents the annual percentage rate and minimum payments for our lines of credit that have a 24 month introductory rate.

(5) This represents the introductory rate for our lines of credit with a 12 month introductory rate.

(6) This represents the introductory rate for our lines of credit with a 24 month introductory rate.