

## HOME EQUITY LINE OF CREDIT DISCLOSURE

Date:

Loan #:

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 a change in the annual percentage rate resulting from movements in the index) 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.

**Security Interest:** We will place a lien 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees; (2) refuse to make additional extensions of credit; (3) reduce your credit limit; or (4) make specific changes to the terms that are set forth in your agreement with us.

We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- (1) you engage in fraud or material misrepresentation in connection with your Line of Credit;
- (2) you do not meet the repayment terms; or
- (3) your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- (1) the value of the dwelling securing the line declines significantly below its appraised value for the purposes of the line;
- (2) we reasonably believe you will not be able to meet the repayment requirements due to a change in your financial circumstances;
- (3) your payment history on this home equity Line of Credit is not satisfactory;
- (4) you are in default of an obligation of the agreement;
- (5) government action prevents us from imposing the annual percentage rate provided in the agreement;
- (6) government action impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice; or
- (8) the maximum annual percentage rate is reached.

The initial agreement permits us to make certain changes in the terms of the line at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements:** You can obtain credit advances for \_\_\_\_\_ years (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the amount, if any, by which your outstanding principal loan balance exceeds your credit limit, plus the greater of: (a) \$100.00; or (b) the amount of accrued but unpaid finance charges, late charges, and any other charges due. The minimum monthly payments during the draw period may not reduce the principal that is outstanding on your line.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is \_\_\_\_\_ years. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest, late charges and any other charges due plus \_\_\_\_\_ % of the principal balance outstanding on the last day of the draw period.

**Fees And Charges:** To open, use and maintain a line of credit, you must pay the following fees to us:

Funding Fee	\$ _____	(due when account is opened)
Administration Fee	\$ _____	(due at application or when account is opened)
Lender Application Fee	\$ _____	(due at application)
Processing Fee	\$ _____	(due when account is opened)
Commitment Fee	\$ _____	(due when account is opened)
Discount Fee	\$ _____	(due when account is opened)
Origination Fee	\$ _____	(due when account is opened)
Annual Charge	\$ _____	(due annually)
Termination Fee	\$ _____	(if you release or reconvey the mortgage during the first 3 years after funding. The fee will not be charged if you have not used the account for the entire period from closing to payoff.)
Other	\$ _____	(when payable)

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

**Minimum Draw Requirements:** The minimum credit advance that you can receive using a check is \$ \_\_\_\_\_ . There is no minimum draw requirement for other means of accessing the line of credit.

**Tax Deductibility:** You understand that we (including our employees and representatives) do not make any representations or warranties to you about the tax consequences - including the deductibility of interest or fees - of you establishing or using this line of credit, and we will not be liable if interest or fees are not deductible. You should consult a tax advisor regarding the deductibility of interest and charges under the plan.

**Variable Rate Feature:** Our home equity lines of credit have a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result. The annual percentage rate includes only interest and not other costs.

The initial annual percentage rate is "discounted" - it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for \_\_\_\_\_ month(s) from the opening of this account.

After the initial rate period, the annual percentage rate is based on the value of an index. The index is the Wall Street Journal Prime Rate and is published in the Money Rates section of the Wall Street Journal. To determine the annual percentage rate that will apply to your line, we add a margin to the value of the index. We may substitute a new index and margin if the index described above becomes unavailable. Any new index will have a historical movement similar to the original and, together with a new margin, will produce a similar interest rate.

Ask us for the current index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Rate Changes and Limitations:** After the initial rate period, the annual percentage rate can change each month. There is no limit on the amount by which the rate can change in any one-year period.

The maximum ANNUAL PERCENTAGE RATE (corresponding to the periodic rate) that can apply under any option is 18%, or the maximum amount permitted under applicable law, whichever is less.

**Minimum Payment Examples:**

**10-Year Draw Period - 10-Year Repayment Period:** If you made only the minimum payments and took no other credit advances, it would take 20 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 4.99%. During that period, you would make 120 monthly payments of \$100.00 followed by 120 payments varying between \$42.40 and \$30.30.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 at the beginning of the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$150.00. This annual percentage rate could be reached in the first month following the initial rate period.

If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$233.33 for a **10-Year Repayment Period**. The maximum annual percentage rate during the repayment period could be reached in the first month.

**Historical Examples:** The following tables show 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 last 15 years. The index values are from the first day of December 2006. While only one payment amount per year is shown, payments would have varied during each year of the repayment period. The table assumes that no additional credit advances were taken, that only the minimum 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.

**10-Year Repayment Period**

Year	Index (%)	Margin (%)	Annual Percentage Rate (%)	10-YEAR DRAW Minimum Monthly Payments (\$)
1992	6.000	0.250	4.990 <sup>1</sup>	100.00
1993	6.000	0.250	6.250	100.00
1994	8.500	0.250	8.750	100.00
1995	8.750	0.250	9.000	100.00
1996	8.250	0.250	8.500	100.00
1997	8.500	0.250	8.750	100.00
1998	7.750	0.250	8.000	100.00
1999	8.500	0.250	8.750	100.00
2000	9.500	0.250	9.750	100.00
2001	5.000	0.250	5.250	100.00
2002	4.250	0.250	4.500	42.40
2003	4.000	0.250	4.250	40.43
2004	5.000	0.250	5.250	41.40
2005	7.000	0.250	7.250	43.70
2006	8.250	0.250	8.500	43.58

<sup>1</sup> These figure represent a Discount of 3.76%. Your Discount or Premium may be different.

**YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES, WHICH WOULD BE ACTIVATED BY A JUNIOR ENCUMBRANCE.**

I/We acknowledge receipt and have read the Home Equity Line of Credit Disclosure and the "When Your Home is On the Line: What You Should Know About Home Equity Lines of Credit" brochure.

_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower