



HOME EQUITY EARLY DISCLOSURE  
 IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of Credit Plan. 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 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 pay to us or anyone else in connection with your application.

**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.

**POSSIBLE ACTIONS:** 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 the plan; (2) you do not meet the repayment terms of this plan, 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) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security 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.

**MINIMUM PAYMENT REQUIREMENTS:** You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends. You will be required to make monthly payments during both the draw and repayment periods. At the time of each credit advance a payoff period will be established. The payoff period may vary depending on the amount of your outstanding credit balance after you obtain an advance. The payoff period is shown in the following table:

<i>Range of Balances</i>	<i>Payoff Period</i>
\$1.00 - \$10,000.00	60 Monthly Payments
\$10,000.01 - \$25,000.00	120 Monthly Payments
\$25,000.01 - And above	180 Monthly Payments

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will be

rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases. Each time the annual percentage rate increases, we will review the effect the increase has had on your plan. If the annual percentage rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 5 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 5.0%. During that period, you would make 59 payments of \$189.00 and one (1) final payment of \$169.36.

**FEES AND CHARGES:** In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Application Fee: \$25.00 (Due at application)

You may pay certain fees to third parties to open the plan. These fees generally total between \$300.00 and \$1,600.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

**FEE REIMBURSEMENT:** We may pay third party fees on your behalf. If we do so and you close the plan within the first two years, you must reimburse us for these fees. Any amounts owed may be added onto your principal balance.

**PROPERTY INSURANCE:** You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**TRANSACTION REQUIREMENTS:** If you are receiving a discount, the minimum first advance is \$20,000.00, and \$1,000.00 for each subsequent advance. If you do not receive a discount, the minimum credit advance that you can receive is \$5,000.00 for the first advance and \$1,000.00 for each subsequent advance.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

**VARIABLE RATE FEATURE:** This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may 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 monthly average of the Six Month Treasury Bill Rate (Auction High). (This will be the average for November, February, May and August.) Information about the index is published in the Wall Street Journal and is also available from the Treasury Dept. website: [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov). We will use the most recent index value available to us as of 10 days before the date of any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. If the rate is not already rounded we then round up or down to the nearest .25%.

The initial annual percentage rate may be "discounted". If it is discounted, it is not based on the index and margin used for later rate adjustments. An initial discounted rate will be in effect for 24 months. Ask us for the current index value, margin, discount and annual percentage rate information. After you open a plan, rate information will be provided on periodic statements that we send you.

**RATE CHANGES:** The annual percentage rate can change quarterly on the first day of January, April, July and October. The rate cannot increase or decrease more than 1.0 percentage points at each adjustment. The

maximum **ANNUAL PERCENTAGE RATE** that can apply is 15% or the maximum permitted by law, whichever is less. However, after the expiration of any discount period, your **ANNUAL PERCENTAGE RATE** will not go below 5% at any time during the term of the plan. Ask us for the specific rate limitations that will apply to your credit line.

**MAXIMUM RATE AND PAYMENT EXAMPLES:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.0% would be \$238.00. This annual percentage rate could be reached at the time of the 28<sup>th</sup> payment.

**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 the month of January of each year.

While only one payment per year is shown, payments may 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.

6 MONTH TREASURY BILL RATE INDEX TABLE

Year (as of the month of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
			Without Discount	Without Discount	With Discount	With Discount
1997	5.110	3.50	8.750	207.00	5.000 <sup>(2)</sup>	189.00
1998	5.070	3.50	8.750	207.00	5.000 <sup>(2)</sup>	189.00
1999	4.360	3.50	8.000	207.00	8.000	198.00
2000	5.520	3.50	9.250	207.00	9.250	200.00
2001	5.040	3.50	8.750	207.00	8.750	200.00
2002	1.740	3.50	5.250		5.250	
2003	1.210	3.50	5.000 <sup>(2)</sup>		5.000 <sup>(2)</sup>	
2004	0.970	3.50	5.000 <sup>(2)</sup>		5.000 <sup>(2)</sup>	
2005	2.600	3.50	6.250		6.250	
2006	4.290	3.50	8.000		8.000	
2007	4.930	3.50	8.500		8.500	
2008	2.840	3.50	6.500		6.500	
2009	0.310	3.50	5.000 <sup>(2)</sup>		5.000 <sup>(2)</sup>	
2010	0.160	3.50	5.000 <sup>(2)</sup>		5.000 <sup>(2)</sup>	
2011	0.180	3.50	5.000 <sup>(2)</sup>		5.000 <sup>(2)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 5.000% floor.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently, your plan may be discounted by a different amount.