



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 (Emerline). 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 the 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 paid to us or anyone else in connection with your application.

Security Interest: We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Your Billing Rights: If you think your bill is wrong, or if you need more information about a transaction on your bill, write us [on a separate sheet] at the address shown on your bill as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in Question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

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 line for:

- (1) any reason mentioned above;
- (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 plan;
- (5) government action prevents us from imposing the ANNUAL PERCENTAGE RATE provided for under the plan;
- (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 100% 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 advances of credit for 10 years. This period is called the “draw period”. During the draw period, payments will be due monthly. Your required minimum monthly payment will be the principal and interest accrued on the outstanding balance as of the last payment, or \$50 whichever is greater.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 60 monthly statement periods (the “repayment period”). During the repayment period, payments will be due monthly. Your minimum monthly payment will be an amount required to repay the loan in full by the final payment date based on the prevailing interest rate and the remaining term of the loan.

Minimum Payment Example: If you made only the minimum payments and took no other credit advances it would take 10 years 2 months to pay off a credit advance of \$5,000 at an ANNUAL PERCENTAGE RATE of 4.00%. During that period, you would make 121 payments of \$50.00 and one final payment of \$42.62.

Fees and Charges: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

If your payment is more than 10 days late we may charge you \$35.

We reserve the right to charge fees for returned checks and stop payments.

You must pay certain fees to third parties to open this line of credit. These fees generally total between \$581.00 and \$776.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

Property Insurance: You must carry hazard insurance and flood insurance, if applicable, on the property that secures your loan. The insurance coverage must be at least equal to the maximum amount available under your credit limit, plus the amount of any prior mortgage on the property at the time your line of credit is opened.

Refundability of Fees: If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity brochure, you are entitled to a refund of any fee you may have already paid.

Negative Amortization: Under some circumstances, your payment may not cover the finance charges that accrue and “negative amortization” may occur. Negative amortization will increase the amount that you owe us and reduce the equity in your home.

Transaction Limitations: The minimum credit advance you can receive is \$500.00. You may obtain advances under this account by check, in-office withdrawal or transfer.

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

Variable Rate Features: This plan has a variable rate feature and the ANNUAL PERCENTAGE RATE (corresponding to the periodic rate) and the minimum payment can change as a result. The ANNUAL PERCENTAGE RATE includes interest and no other costs.

The ANNUAL PERCENTAGE RATE is based on the value of an index. The index is the Prime Rate published in The Wall Street Journal. When a range of rates has been published, the highest rate is used. We then add a margin to the value of the index.

Ask us for current index value, margin and ANNUAL PERCENTAGE RATE. 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 maximum ANNUAL PERCENTAGE RATE that can apply during the plan is 18.00%. The minimum rate is 4.00%. Except for the 18% ‘cap’ and the 4% ‘floor’ the maximum rate change in any one-year period is 8.00%. The ANNUAL PERCENTAGE RATE will never increase more than 2.00% per adjustment. Index (Wall Street Journal Prime Rate) is equivalent to the Wall Street Journal Prime Rate published on the 1st day of each quarterly adjustment period.

Maximum Rate and Payment Examples: If you had an outstanding balance of \$10,000 during the “draw period” the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE OF 18.00% would be \$161.09. The maximum ANNUAL PERCENTAGE RATE could be reached during the nineteenth month.

If you have an outstanding balance of \$10,000 when the repayment period begins, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$253.93. The maximum ANNUAL PERCENTAGE RATE could be reached during the first month.

Historical Examples: 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 1ST of each year. While only one payment amount per year is shown, payments would have varied during each year of the draw period. 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 payment(s) would change in the future.

YEAR	INDEX PERCENT (%)	MARGIN* PERCENT (%)	ANNUAL PERCENTAGE RATE (%)	MINIMUM MONTHLY (\$)
2008	7.25	1	8.25	97.04
2009	3.25	1	4.25	75.24
2010	3.25	1	4.25	75.24
2011	3.25	1	4.25	75.24
2012	3.25	1	4.25	75.24
2013	3.25	1	4.25	75.24
2014	3.25	1	4.25	75.24
2015	3.25	1	4.25	75.24
2016	3.5	1	4.5	76.51
2017	3.75	1	4.75	77.8
2018	4.5	1	5.5	81.73
2019	5.5	1	6.5	87.13
2020	4.75	1	5.75	83.06
2021	3.25	1	4.25	75.24
2022	3.25	1	4.25	75.24

*This is a margin we have used recently; your margin may be different. Other rates and margins may apply depending on your loan-to-value ratio and credit tier.