

IMPORTANT TERMS of our HOME EQUITY LINES 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 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.

Home Equity Plan

We offer two (2) variable-rate Home Equity Line of Credit plans, one with an initial introductory discounted interest rate, and one without. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, minimum periodic payments will be due on a monthly basis and will be established at the time of each advance or subsequent change in interest rate to the amount necessary to fully amortize your then outstanding account balance by the Agreement Maturity Date, subject to the lesser of \$100.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account 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 180 months. During the repayment period, your minimum periodic payment will be calculated in the same manner as the draw period.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 166 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 8.00%. During that period, you would make 120 monthly payments of \$100.00, followed by 45 monthly payments of \$100.00, and a final payment of \$35.62.

Fees and Charges

To open and maintain a line of credit, you may have to pay certain fees to third parties. These fees generally total from \$100.00 to \$1,000.00. If you ask, we will give you an itemization of the fees you will have to pay 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

Following the expiration of any introductory rate, these plans have a variable-rate feature and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment 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 last day of each calendar month of each year, rounded up to the nearest 0.25 percentage point. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. 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.

Introductory Rate

For plans with an introductory rate, for the 6-month period immediately following the date of agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 3.49%*. Upon the expiration of the introductory rate period, your account will be subject to the variable rate provisions described herein. The initial annual percentage rate is not based on the index and margin used for later adjustments.

*This represents an introductory rate we have recently used.

Rate Changes

With Introductory Rate. Your Annual Percentage Rate can change on the day that the introductory rate period expires, and monthly thereafter. Other than the minimum and maximum Annual Percentage Rate that can apply at any time, there is no limit on the amount that your rate can change when the introductory rate period expires. After the expiration of the introductory rate period, the minimum **ANNUAL PERCENTAGE RATE** at any time is 3.00%. The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

Without Introductory Rate. Your Annual Percentage Rate can change monthly. The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.00%. The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

Maximum Rate and Payment Examples

With 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 \$151.76. This Annual Percentage Rate could be reached during the 7th 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 \$161.06. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Without 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 \$151.76. 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 \$161.06. 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 2009. The index is from The Wall Street Journal and calculated on the first business day of December 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)		(2)	(3)
2009	3.25	-0.50	3.00% ⁽⁵⁾	3.49% ⁽⁴⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2010	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2011	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2012	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2013	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2014	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2015	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2016	3.50	-0.50	3.00%	3.00%	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2017	4.25	-0.50	3.75%	3.75%	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2018	5.25	-0.50	4.75%	4.75%	DRAW	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2019	4.75	-0.50	4.25%	4.25%	REPAYMENT	\$0.00	\$0.00
2020	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	REPAYMENT	\$0.00	\$0.00
2021	3.25	-0.50	3.00% ⁽⁵⁾	3.00% ⁽⁵⁾	REPAYMENT	\$0.00	\$0.00
2022	7.00	-0.50	6.50%	6.50%	REPAYMENT	\$0.00	\$0.00
2023	8.50	-0.50	8.00%	8.00%	REPAYMENT	\$0.00	\$0.00

- (1) This represents a margin which we have recently used.
- (2) This represents an annual percentage rate, and minimum payment for our plans without an introductory rate.
- (3) This represents an annual percentage rate, and minimum payment for our plans with an introductory rate.
- (4) This represents an introductory rate which we have recently used.
- (5) This represents the minimum interest rate.
- (6) This represents the minimum payment.