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IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT - INTEREST ONLY

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 prior to the opening of your Home Equity account. 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 mortgage on 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 if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the ANNUAL PERCENTAGE RATE provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum ANNUAL PERCENTAGE RATE is reached.

Minimum Payment Requirements: On or before each payment date, you agree to make a minimum payment to reduce your debt. During the Draw period your minimum monthly payment will be the accrued finance charges for each billing cycle. During the Repayment period your minimum payment will be based on the amortized term of 10 years or 120 months. 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 repayment period, we will adjust your payment to repay the balance within the original repayment period. Your minimum payment will include any amounts past due and any amount by which you have exceeded your credit limit and any other charges.

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

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances; it would take 15 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 3.99%. You would make 60 monthly payments of \$33.25 during the draw period. You would make 120 monthly payments of \$101.20 during the repayment period.

Transaction Requirements: The minimum amount of the first credit advance is \$200.00. The minimum credit advance you can receive after the first advance is \$200.00.

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

Third Party Fees: You must pay certain fees to third parties.

Variable-Rate Feature: This plan has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and minimum payment 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.

Description of Index: The index is the highest Prime Rate published in the Money Rates section of the *Wall Street Journal*. When a range of rates has been published, the highest rate is used. We will use the most recent index available to us.

Source of Index: The index is published in the *Wall Street Journal*. If the index is no longer available, we will choose a new index which is based on comparable information. To determine the ANNUAL PERCENTAGE RATE that will apply to your line, we add a margin to the value of the index.

Rate Changes: The ANNUAL PERCENTAGE RATE can change monthly on the first day of the month. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 18.000% or the maximum permitted by law.

Maximum Rate and Payment Examples: If you had an outstanding balance of \$10,000 at the beginning of the draw period, the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$150.00. This ANNUAL PERCENTAGE RATE could be reached after the first month. If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the maximum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$180.19. This ANNUAL PERCENTAGE RATE could be reached after the first month of the of the repayment period.

I/We hereby acknowledge receipt of this disclosure and a copy of the home equity brochure or comparable publication provided by the lender.

(Recipient)

Date

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(Recipient)

Date

Non-Discount 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 last 15 years. Period or date each year from which index values were taken: the first business day of January. While only one payment amount per year is shown, payments would have varied slightly during each year. 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.

<u>YEAR</u>	<u>INDEX (%)</u>	<u>MARGIN (%) *</u>	<u>ANNUAL PERCENTAGE RATE</u>	<u>MINIMUM PAYMENT (\$)</u>
1999	7.750	0.000	7.750	64.58
2000	8.500	0.000	8.500	70.83
2001	9.500	0.000	9.500	79.17
2002	4.750	0.000	4.750	39.58
2003	4.250	0.000	4.250	35.42
2004	4.000	0.000	4.000	101.25
2005	5.250	0.000	5.250	106.72
2006	7.250	0.000	7.250	114.90
2007	8.250	0.000	8.250	118.64
2008	7.250	0.000	7.250	115.38
2009	3.250	0.000	3.999**	106.64
2010	3.250	0.000	3.999**	106.65
2011	3.250	0.000	3.999**	106.64
2012	3.250	0.000	3.999**	106.65
2013	3.250	0.000	3.999**	

* This is a margin we have used recently, yours may be different.

** This rate reflects the 3.999% rate limitation.