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## HOME EQUITY FIXED RATE PLAN

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This disclosure contains important information about our HOME EQUITY FIXED RATE PLAN. You should read it carefully and keep a copy for your records.

**1. AVAILABILITY OF TERMS.** All of the terms described below are subject to change. If these terms change 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 have paid to us or anyone else in connection with your application.

**2. 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.

**3. POSSIBLE ACTIONS.** Under certain circumstances, we can:

- A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
- B. Refuse to make additional extensions of credit;
- C. Reduce your credit limit; and
- D. Make specific changes that are set forth in your agreement with us.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- A. You engage in fraud or material misrepresentation in connection with the line of credit;
- B. You fail to make a payment as required by the agreement; or
- C. 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:

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

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

**4. MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 5 years. During this period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

\* \$25.00; or

\* The amount of accrued finance charges plus 0.250 percent of the principal balance outstanding on the last day of the billing cycle.

The minimum payment amount will be rounded to the nearest \$.01. Whenever a flat dollar amount is used to determine the minimum payment however, the minimum payment will be rounded to the nearest \$.01. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit at the end of 5 years. If they are not, you will then be required to pay the entire balance in a single payment.

Balances of less than \$25.00 must be paid in full.

**5. 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 \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.000%. During that period, you would make 59 payments varying between \$83.33 and \$72.07, with a final payment of \$8,677.35.

7.000% is an example of an ANNUAL PERCENTAGE RATE we have offered recently. The annual percentage rate includes only interest and not other costs.

**6. PREFERRED RATE FEATURE.** This plan has a "preferred rate" provision. This means that if you leave our employment, your annual percentage rate will increase. Your new ANNUAL PERCENTAGE RATE will be determined by adding 1.000 percentage point(s) to your existing annual percentage rate.

**7. FEES AND CHARGES.** To open and maintain a line of credit, you must pay the following fees to us:

\* Origination Fee: 1.000 percent of the credit limit (due when account is opened)

\* Document Preparation Fee: \$50.00 (due when account is opened)

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$1.00 to \$1,500.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

You must carry insurance on the property that secures the line of credit.

**8. REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

**9. TAX DEDUCTIBILITY.** You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

**10. AVAILABILITY OF OTHER HOME EQUITY PLANS.** If you ask, we will provide you with information on our other available home equity lines of credit.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure  
and a copy of the Home Equity Brochure on today's date.

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