

# IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

FLEX LINE PRIME -.51

This disclosure contains important information about our home equity line of credit. You should read it carefully and keep copy for your records.

**Availability of Terms:** This product allows for a discounted introductory rate for the first twelve months after account opening. All of the terms described below are subject to change.

If these terms change (other than the annual percentage rate) and you decide 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 and 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 the priority of our security interest such that the value of the interest is less than 120 percent of the credit line.
- The maximum annual percentage rate is reached.
- The initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence specified events.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.

**Minimum Payment Requirements:** You can obtain advances of credit (the "draw period") for 120 months. During the draw period, payments will be due monthly. Your minimum monthly payment will be the finance charges that have accrued on the outstanding daily balance in the billing cycle, plus any overdue amounts or \$25.00, whichever is greater. The minimum payment during the draw period will be \$25.00.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over a specified period of months (the "repayment period"). During the repayment period of 180 months, payments will be due monthly. Your minimum monthly payment will equal 1/180th of the principal balance that was

outstanding at the end of the draw period plus finance charges that have accrued on the outstanding balance during the billing cycle or \$25.00, whichever is greater. During the draw period, the minimum payment will not reduce the principal that is outstanding on your line of credit.

**Minimum Payment Example:** If you made only the minimum payments and took no other credit advances, it would take 25 years to pay off a credit advance of \$10,000 at the ANNUAL PERCENTAGE RATE of 7.50%. During the Draw Period, you would make 120 interest only payments varying between **\$25.00** and **\$49.23**. During the Repayment Period, you would make 179 monthly payments varying between **\$81.04** and **\$54.88**, followed by one final payment of **\$55.02**.

**Fees and Charges:** To open and maintain an account, you must pay the following fees:

Fee:	\$	(due at application)
Points:	\$	% of credit line (due when account is opened)
Origination Fee:	\$	(due when account is opened)
Loan Processing Fee:	\$	% of credit line (due when account is opened)
Other: Check Reorder Fee	\$14.50	(due upon reorder of checks) or our current cost
Other:	\$	(due when account is opened)
Annual Fee:	\$	(due each year beginning on the first anniversary of opening the account)
Close out fee:	\$500.00	if you close the line within the first 36 months, unless refinanced with a new HELOC with CASB

You may also be required to pay certain fees to third parties to open a line. These fees may range between \$200.00 and \$4,000.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Minimum Draw Requirement:** This product requires that an initial minimum draw of **\$5,000.00** be taken at account opening. The minimum credit advance thereafter is **\$500.00**.

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

**Variable Rate Feature:** The initial discount rate of **5.99%** is not based on an index and margin, and will be in effect for twelve months after account opening. The line has a variable rate feature thereafter, and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest and no other costs. The annual percentage rate that will apply to your account after the introductory period is based on the value of the index minus a margin.

The Index is **the prime rate published in the Wall Street Journal as of the last working day of each month**. If there is more than one such rate published the index used will be the highest published rate. To determine the annual percentage rate that will apply to your line, we add a margin to the value of the index.

**Minimum Rate:** In no event will the Annual Percentage Rate be less than **3.00%**

Ask us for the current index value, margin, discount and annual percentage rates. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Rate Changes:** The annual percentage rate can change monthly. The maximum ANNUAL PERCENTAGE RATE that can apply is **9.50%**. Apart from this rate "cap," and **3.00%** floor, there is no limit on the amount by which the rate can change during any one-year period.

**Maximum Rate and Payment Examples:** If the ANNUAL PERCENTAGE RATE during the draw period equaled the **9.50%** maximum and you had an outstanding balance of \$10,000, the minimum monthly payment would be **\$80.68**. This maximum ANNUAL PERCENTAGE RATE could be reached during the thirteenth month of the draw period.

If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of **9.50%** would be **\$136.24**. This annual percentage rate could be reached during the first month of the repayment period.

**Historical Example:** The following table shows how the ANNUAL PERCENTAGE RATE and the minimum monthly payments for a \$10,000 outstanding balance would have changed based on changes in the index over the past 15 years. **The index values are from the last business day of February of each year.** While only one payment amount per year is shown, payments during the repayment period would have varied during each year.

The table assumes a single credit advance of \$10,000 and 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.

	Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Monthly Minimum Payment (\$)
Draw Period	2012	3.2500%	-0.51	**5.990%	<b>49.23</b>
	2013	3.2500%	-0.51	***3.000%	<b>25.00</b>
	2014	3.2500%	-0.51	***3.000%	<b>25.00</b>
	2015	3.2500%	-0.51	***3.000%	<b>25.00</b>
	2016	3.5000%	-0.51	***3.000%	<b>25.00</b>
	2017	3.7500%	-0.51	3.240%	<b>26.63</b>
	2018	4.5000%	-0.51	3.990%	<b>32.79</b>
	2019	5.5000%	-0.51	4.990%	<b>41.01</b>
	2020	4.7500%	-0.51	4.240%	<b>34.85</b>
	2021	3.2500%	-0.51	***3.000%	<b>25.00</b>
Repayment Period	2022	4.0000%	-0.51	3.490%	<b>84.24</b>
	2023	7.7500%	-0.51	7.240%	<b>111.10</b>
	2024	8.5000%	-0.51	7.990%	<b>112.47</b>
	2025	7.5000%	-0.51	6.990%	<b>101.52</b>
	2026	6.7500%	-0.51	6.240%	<b>93.17</b>

\* This margin represents a recent margin used

\*\* Represents a recent introductory rate of 5.990%

\*\*\*This represents the 3.000% floor rate, and minimum payment of \$25.00

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