

# 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 FOR 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) you fail to maintain the Security Property as your principal dwelling (for credit approved on an owner-occupied basis); (6) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (7) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (8) 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 120.00% of your maximum credit limit; (9) the maximum interest rate under the plan is reached; or (10) 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.

## Minimum Payment Requirements

### Plan 1

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established at the close of each billing cycle at an amount equal to all accrued yet unpaid finance charges due, subject to the lesser of \$50.00 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 be 180 months. During the repayment period, your payment will be established on the first day of the repayment period and any subsequent change in interest rate to the amount necessary to fully amortize your outstanding account balance by the Agreement Maturity Date.

### Plan 2

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established at the close of each billing cycle at an amount equal to 1.00% of your then unpaid principal balance, 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 be 180 months. During the repayment period, your payment will be established on the first day of the repayment period and any subsequent change in interest rate to the amount necessary to fully amortize your outstanding account balance by the Agreement Maturity Date.

Under some circumstances, your payment will not cover the Finance Charges that accrue and Negative Amortization will occur. Negative Amortization will increase the amount that you owe us and reduce your equity in your home.

## Minimum Payment Example

### Plan 1

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.75%. During that period, you would make 120 monthly payments of \$50.00, followed by 179 monthly payments of \$52.91 and a final payment of \$53.91.

### Plan 2

If you made only the minimum payments and took no other credit advances, it would take 121 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.75%. During that period, you would make 120 monthly payments of \$100.00, followed by a final payment of \$9.21.

## 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 up to \$2,950.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

## Insurance

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

## 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 period, these Plans will be subject to a Variable Rate feature and the Annual Percentage Rate (corresponding to the periodic rate), the amount of your minimum payments during both the draw and the repayment periods (for Plan 1), and the number of your minimum payments during the draw period and the amount of your minimum payments during the repayment period (for Plan 2), 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 the day that any introductory rate period expires, and subsequently on the 20th calendar day preceding each change date. 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, applicable discount, and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

## Fixed Rate Conversion Option

You may elect to convert any portion of your outstanding principal balance that is subject to the above described variable interest rate, to a fixed interest rate. There is no limit on the number of times that you may request to convert a balance subject to a variable rate, to a fixed rate, and the specific fixed rate that you receive will be based upon our lending practices in effect at the time of each such conversion. The sum of the minimum periodic payments due for both variable-rate and, if applicable, fixed-rate balance(s) is the amount You will owe for the billing cycle being accounted for.

## Introductory Rate

If your line of credit is subject to an Introductory Rate, for the 12-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 3.25%.\* 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

Your Annual Percentage Rate can change on the day that any introductory rate period expires and monthly thereafter. There is no limit on the amount by which the interest rate can change during any one year period other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 21.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.75%.

### Maximum Rate And Payment Examples

#### Plan 1

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 21.00% would be \$175.02. 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 21.00% would be \$183.08. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

#### Plan 1 (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 21.00% would be \$175.02. This Annual Percentage Rate could be reached during the 13th 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 21.00% would be \$183.08. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

#### Plan 2

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 21.00% would be \$100.00. 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 21.00% would be \$183.08. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

#### Plan 2 (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 21.00% would be \$100.00. This Annual Percentage Rate could be reached during the 13th 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 21.00% would be \$183.08. 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 2008. The index is from The Wall Street Journal and is calculated on the first business day of April 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.

### Plan 1

Year	Index	Margin(1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2008	5.25	0.00	5.25%	3.25%(4)	DRAW	\$68.76	\$50.00(6)
2009	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2010	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2011	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2012	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2013	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2014	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2015	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2016	3.50	0.00	3.75%(5)	3.75%(5)	DRAW	\$50.00(6)	\$50.00(6)
2017	4.00	0.00	4.00%	4.00%	DRAW	\$50.00(6)	\$50.00(6)
2018	4.75	0.00	4.75%	4.75%	REPAYMENT	\$55.88	\$56.19
2019	5.50	0.00	5.50%	5.50%	REPAYMENT	\$58.53	\$58.86
2020	3.25	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$52.82	\$53.11
2021	3.25	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$52.82	\$53.11
2022	3.50	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$52.82	\$53.11

- (1) This represents a margin we have recently used.
- (2) This represents the annual percentage rate and minimum payment for our Plan 1 lines of credit without an introductory rate.
- (3) This represents the annual percentage rate and minimum payment for our Plan 1 lines of credit with an introductory rate.
- (4) This represents the introductory rate.
- (5) This represents the minimum annual percentage rate.
- (6) This represents the \$50.00 minimum payment.

### Plan 2

Year	Index	Margin(1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2008	5.25	0.00	5.25%	3.25%(4)	DRAW	\$100.00(6)	\$100.00(6)
2009	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2010	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2011	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2012	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2013	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2014	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2015	3.25	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2016	3.50	0.00	3.75%(5)	3.75%(5)	DRAW	\$100.00(6)	\$100.00(6)
2017	4.00	0.00	4.00%	4.00%	DRAW	\$100.00(6)	\$100.00(6)
2018	4.75	0.00	4.75%	4.75%	REPAYMENT	\$1.70	\$0.00
2019	5.50	0.00	5.50%	5.50%	REPAYMENT	\$1.78	\$0.00
2020	3.25	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$1.60	\$0.00
2021	3.25	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$1.60	\$0.00
2022	3.50	0.00	3.75%(5)	3.75%(5)	REPAYMENT	\$1.60	\$0.00

- (1) This represents a margin we have recently used.
- (2) This represents the annual percentage rate and minimum payment for our Plan 2 lines of credit without an introductory rate.
- (3) This represents the annual percentage rate and minimum payment for our Plan 2 lines of credit with an introductory rate.
- (4) This represents the introductory rate.
- (5) This represents the minimum annual percentage rate.
- (6) This represents the \$100.00 minimum payment.