



# HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE (Continued)

**periodic statement.** If your payment is late we may charge you 5.000% of the payment or \$10.00, whichever is less.

**Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These third party fees generally total between \$441.10 and \$1,121.10. We estimate the breakdown of these as follows:

| Description              | Amount               | When Charged       |
|--------------------------|----------------------|--------------------|
| Recording:               | \$25.00              | At Account Opening |
| Appraisal:               | \$100.00 to \$650.00 | At Account Opening |
| Flood Determination Fee: | \$12.00 to \$23.00   | At Account Opening |
| Title Search Fee:        | \$145.00 to \$250.00 | At Account Opening |
| Appraisal Review:        | \$150.00 - \$175.00  | At Account Opening |

**PROPERTY INSURANCE.** You must carry insurance on the property that secures the Plan.

**MINIMUM PAYMENT REQUIREMENTS.** You can obtain advances of credit during the following period: will extend for twelve (12) months from the date of the Agreement (the "Draw Period"). After the Draw Period ends, the repayment period will begin. You will no longer be able to obtain credit advances. The length of the repayment period is as follows: the Repayment Period will be for sixty (60) months. Your Regular Payment will equal the amount of your accrued FINANCE CHARGES ("First Payment Stream"). Your payments will be due monthly. Your First Payment Stream will last for the first 12 months. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment. The Minimum Payment during the First Payment Stream will not reduce the principal that is outstanding on your Credit Line.

After completion of the First Payment Stream, your Regular Payment will be based on your outstanding balance as shown below ("Second Payment Stream"). Your payments will be due monthly.

| <u>Range of Balances</u> | <u>Number of Payments</u> | <u>Amortization Period</u> |
|--------------------------|---------------------------|----------------------------|
| All Balances             | 60                        | 60 payments                |

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your payment may be increased by the amount necessary to repay the balance by the end of this payment stream. Each time the ANNUAL PERCENTAGE RATE changes, we will review the effect the change has on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date.

**MINIMUM PAYMENT EXAMPLE.** If you made only the minimum payment and took no other credit advances, it would take 6 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 9.500%. During that period, you would make 12 monthly payments ranging from \$75.48 to \$80.68. Then you would make 60 monthly payments of \$209.99.

**TRANSACTION REQUIREMENTS.** The following transaction limitations will apply to the use of your Credit Line:

**Credit Line Home Equity Line Check, Telephone Request, In Person Request and Request By Mail Limitations.** There are no transaction limitations for the writing of Home Equity Line Checks, requesting an advance by telephone, requesting an advance in person or requesting an advance by mail.

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

**VARIABLE RATE FEATURE.** The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

**THE INDEX.** The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Prime Rate as published in the Money Rate section of the Wall Street Journal. Information about the Index is available or published at least weekly in the Wall Street Journal. We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment.

**ANNUAL PERCENTAGE RATE.** To determine the Periodic Rate that will apply to your First Payment Stream, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the ANNUAL PERCENTAGE RATE for your Second Payment Stream. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

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

**FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS.** Your ANNUAL PERCENTAGE RATE can change 1st day of calendar quarter. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 18.000% per annum or, go below 7.000% per annum at any time during the term of the Plan.

**MAXIMUM RATE AND PAYMENT EXAMPLE.**

**Draw Period.** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$152.88. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

**Repayment Period.** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$253.87. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment during the repayment period.

**PREPAYMENT.** You may prepay all or any amount owing under the Plan at any time without penalty.

**HISTORICAL EXAMPLE.** The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2009 to 2023. The Index values are from the following reference period: as of the 1st day of January of each year. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

# HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE (Continued)

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 would change in the future.

## INDEX TABLE

| Year (as of the 1st day of January of each year) | Index (Percent) | Margin <sup>(1)</sup> (Percent) | ANNUAL PERCENTAGE RATE | Monthly Payment (Dollars) |
|--|-----------------|---------------------------------|------------------------|---------------------------|
| Draw Period                                      |                 |                                 |                        |                           |
| 2009.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 59.45                     |
| Repayment Period                                 |                 |                                 |                        |                           |
| 2010.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 197.99                    |
| 2011.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 198.00                    |
| 2012.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 197.99                    |
| 2013.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 198.00                    |
| 2014.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   | 198.00                    |
| 2015.....  | 3.500...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2016.....  | 3.750...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2017.....  | 4.500...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2018.....  | 4.500...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2019.....  | 4.750...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2020.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2021.....  | 3.250...        | 1.000                           | 7.000 <sup>(8)</sup>   |                           |
| 2022.....  | 7.500...        | 1.000                           | 8.500                  |                           |
| 2023.....  | 8.500...        | 1.000                           | 9.500                  |                           |

(1) This is a margin we have used recently; your margin may be different.

(8) This A.P.R. reflects a 7.000 percent floor.