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Home Equity Early Disclosure

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN – INTEREST ONLY – LESS THAN OR EQUAL TO 80% LTV

This disclosure contains important information about our Home Equity Line of Credit Plan. 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. 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 that you pay to us or anyone else in connection with your application.

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.

POSSIBLE ACTIONS: We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if

For Wisconsin Borrowers Only: (1) you fail to make a required payment when due two times within a twelve month period, or (2) your failure to observe the terms of this plan materially impairs the condition, value or protection of, or our rights in, the property securing this plan.

For All Other Borrowers: (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice; (8) the maximum annual percentage rate is reached, or (9) For Wisconsin Borrowers Only: you engage in fraud or material misrepresentation in connection with this plan.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 10 years. This period is called the "draw period." At our option, we may renew or extend the draw period. The length of the repayment period will depend on the outstanding balance at the end of the draw period and changes in the interest rate, if applicable, but will never be greater than 10 years. During the draw period your monthly payment will equal the finance charges (interest) that accrued on the outstanding balance during the preceding month. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

At the beginning of the repayment period we will recalculate your payment. Your payment will be set to repay the balance at the current annual percentage rate over 10 years. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original 10 years. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit and all other charges. Your payment during the repayment period will never be less than the smaller of \$50.00 or the full amount that you owe.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 20 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.5%. During that period, you would make 120 payments of \$57.53 to \$63.70, followed by 119 payments of \$118.71 and one (1) final payment of \$117.42.

FEES AND CHARGES: You must pay certain fees to third parties to open the plan. These fees generally total between \$300.00 and \$1,800.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

FEE REIMBURSEMENT: We may pay the third party closing costs associated with this home equity line of credit on your behalf. If you close the home equity line of credit plan within 12 months of opening, you will be required to reimburse us for the bona fide third party fees paid on your behalf, as permitted by applicable law.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available. The following notice is required by New York law. You are required to obtain property insurance on the property that is security for your mortgage loan. We cannot require you to obtain an insurance policy in excess of the replacement cost of the improvements on the property securing the loan.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

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

VARIABLE RATE FEATURE: This plan has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may 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 Prime Rate published in the Money Rates column of *The Wall Street Journal*. When a range of rates has been published the highest rate will be used. We will use the most recent index value available to us as of 1 day before the date of any annual percentage rate adjustment. To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index.

From time to time we may offer an initial annual percentage rate that is "discounted". If the initial rate is discounted it will not be based on the index and margin used for later rate adjustments. Recently offered initial discounted rates have been in effect for 6 months. A minimum initial advance of \$10,000 is required to receive the discounted rate.

Ask us for the current index value, margin, initial discounted rate (if any) and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change on the first day of each month. There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.0% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3.49% at any time during the term of the plan.



MAXIMUM RATE AND PAYMENT EXAMPLES - DISCOUNT RATE PLAN: If you had an outstanding balance of \$10,000, during the draw period the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$152.88. This annual percentage rate could be reached at the time of the 7th payment of the draw period.

During the repayment period the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$180.19. This annual percentage rate could be reached at the time of the 1st payment of the repayment period.

MAXIMUM RATE AND PAYMENT EXAMPLES - NON DISCOUNT RATE PLAN: If you had an outstanding balance of \$10,000, during the draw period the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$152.88. This annual percentage rate could be reached at the time of the 1st payment of the draw period.

During the repayment period the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$180.19. This annual percentage rate could be reached at the time of the 1st payment of the repayment period.

MARGIN: The margin used with the plan will depend upon your creditworthiness and the amount of equity in the property used as security. Please ask your loan officer about your qualifying margin.

FIXED RATE CONVERSION OPTION: This plan has a fixed rate option (the option) which you may exercise up to three locked/fixed portions at any one time. The locked/fixed portion amount must be exercised for a minimum of \$10,000.00. We may charge you a Rate Lock Fee of \$50.00 each time you exercise the fixed rate option. This fee is a **FINANCE CHARGE**.

At the time that you exercise this option, that portion of your balance will have a fixed rate. You may exercise the option during the first 10 years of the plan inception and therefore have different "Fixed Rate Loan Portions." You may not

exercise the option if your credit limit will be exceeded. Your credit limit will apply to the combined total of all amounts owing under the variable and fixed rate features. All future advances will be at the current variable rate according to the terms disclosed above, unless another option is exercised.

When you exercise the option, the interest rate will be fixed on the balance you elect until that balance is repaid. Your fixed interest rate will be equal to the value of the Prime Rate published in the *Wall Street Journal* at the time you exercise the option plus a margin.

At the time you exercise the option, a payoff period of 60 or 120 monthly payments will be used to calculate your payment. The payoff period will always be shorter of the payoff period or the time remaining to the maturity date. Your payment will be set to repay the fixed portion of your outstanding balance, at the current annual percentage rate, within the payoff period. Your payment will include all amounts past due and all other charges.

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 past 15 years. The index values are as of the last business day of January of each year. While only one payment per year is shown, payments may have varied during each 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 each year. It does not necessarily indicate how the index or your payments will change in the future.

WALL STREET JOURNAL PRIME RATE INDEX TABLE – LOAN TO VALUE LESS THAN OR EQUAL TO 80%

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	DISCOUNT PLAN		NON-DISCOUNT PLAN	
			ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2009.....	3.250	0.00	1.990 ⁽²⁾	16.90	3.490 ⁽³⁾	29.64
2010.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2011.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2012.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2013.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2014.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2015.....	3.250	0.00	3.490 ⁽³⁾	29.64	3.490 ⁽³⁾	29.64
2016.....	3.500	0.00	3.500	29.73	3.500	29.73
2017.....	3.750	0.00	3.750	31.85	3.750	31.85
2018.....	4.500	0.00	4.500	38.22	4.500	38.22
2019.....	5.500	0.00	5.500	108.54	5.500	108.54
2020.....	4.750	0.00	4.750	105.19	4.750	105.19
2021.....	3.250	0.00	3.490 ⁽³⁾	100.26	3.490 ⁽³⁾	100.26
2022.....	3.250	0.00	3.490 ⁽³⁾	100.26	3.490 ⁽³⁾	100.26
2023.....	7.500	0.00	7.500	112.46	7.500	112.46

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

⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently; your plan may be discounted by a different amount.

⁽³⁾ This **ANNUAL PERCENTAGE RATE** reflects a 3.49% floor rate.