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Home Equity Early Disclosure

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

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: Under certain circumstances, we can (1) terminate your line and require you to pay us the entire outstanding balance in one payment, (2) refuse to make additional extensions of credit, (3) reduce your credit limit.

If you ask, we will give you more specific information about when we can take these actions.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 5 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 changes in the interest rate and the balance at the time of the last advance but will not exceed 15 years for LTVs of 90.00% or less and 10 years for LTVs greater than 90.00%. You will be required to make monthly payments during both the draw and repayment periods. A minimum monthly payment amount will be established at the time of each advance. Your minimum payment amount may also change as the annual percentage rate increases. Payments will be due monthly and will be calculated using a percentage of your principal balance in the following manner:

RATE In Effect	PAYMENT AMOUNT	PAYMENT AMOUNT
	LTV from 80.01 – 90%	LTV > than or = 90.01%
At or below 12.00%	1.20%	1.40%
12.01% and Above	1.60%	1.80%

We will round your payment up to the nearest dollar. At all times, the minimum monthly payment you will be required to make is \$50 or the amount calculated according to the method described above, whichever is greater or the total amount you owe if that amount is less than \$50. In addition to your minimum monthly payment, you will be required to pay all amounts past due and any amount by which you have exceeded your credit limit and all other charges.

The minimum payment may not fully repay the principal that is outstanding on your line by the final payment date. You will then be required to pay the entire balance in a single "balloon" payment. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you money. If you refinance the balloon with us, you may have to pay some or all of the closing costs normally associated with a new loan.

MINIMUM PAYMENT EXAMPLE FOR LOAN TO VALUE (LTV) RATIOS BETWEEN 80.01%-90%: If you made only the minimum monthly payment and took no other credit advances it would take 19 years 4 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.99%. During that period, you would make 231 payments of \$50.00 to \$120.00 and one (1) final payment of \$9.50.

MINIMUM PAYMENT EXAMPLE FOR LOAN TO VALUE (LTV) RATIOS GREATER THAN OR EQUAL TO 90.01%: If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.25%. During that period, you would make 179 payments of \$50.00 to \$140.00 and a final balloon payment of \$1,870.28.

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

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

- Flood Zone Determination Fee: \$15.00 (Due at closing)
- Check Printing Charge: \$10.00 (Due when checks are ordered)

You must pay certain fees to third parties to open the plan. These fees generally total between \$50.00 and \$1,800.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

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.

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.

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.

Ask us for the current index value, margin 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 monthly 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. The **ANNUAL PERCENTAGE RATE** will not go below 5.99% for Loan – to – Values of 80.01% to 90% and not go below 7.00% for Loan – to – Values of 90.01% and above at any time during the term of the plan.

MAXIMUM RATE AND PAYMENT EXAMPLE FOR LOAN TO VALUE (LTV) RATIOS BETWEEN 80.01 - 90%: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$160.00. This annual percentage rate could be reached at the time of the 1st payment.

MAXIMUM RATE AND PAYMENT EXAMPLE FOR LOAN TO VALUE (LTV) RATIOS GREATER THAN OR EQUAL TO 90.01%: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$180.00. This annual percentage rate could be reached at the time of the 1st payment.

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

FIXED RATE CONVERSION OPTION FOR LOAN TO VALUE (LTV) RATIOS BETWEEN 80.01% - 90%: 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.

FIXED RATE CONVERSION OPTION FOR LOAN TO VALUE (LTV) RATIOS GREATER THAN OR EQUAL TO 90.01%: This plan has a fixed rate option (the option) which you may exercise 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 when 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 5 years of the plan inception. 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.

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 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 – 80.01% TO 90% LOAN TO VALUES

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2007.....	8.250	2.000	10.250	\$120.00
2008.....	6.000	2.000	8.000	\$116.00
2009.....	3.250	2.000	5.990 ⁽²⁾	\$108.00
2010.....	3.250	2.000	5.990 ⁽²⁾	\$100.00
2011.....	3.250	2.000	5.990 ⁽²⁾	\$91.00
2012.....	3.250	2.000	5.990 ⁽²⁾	\$84.00
2013.....	3.250	2.000	5.990 ⁽²⁾	\$77.00
2014.....	3.250	2.000	5.990 ⁽²⁾	\$71.00
2015.....	3.250	2.000	5.990 ⁽²⁾	\$65.00
2016.....	3.500	2.000	5.990 ⁽²⁾	\$60.00
2017.....	3.750	2.000	5.990 ⁽²⁾	\$55.00
2018.....	4.500	2.000	6.500	\$51.00
2019.....	5.500	2.000	7.500	\$50.00 ⁽³⁾
2020.....	4.750	2.000	6.750	\$50.00 ⁽³⁾
2021.....	3.250	2.000	5.990 ⁽²⁾	\$50.00 ⁽³⁾

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

⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects a 5.99% floor rate.

⁽³⁾ This payment reflects the minimum payment of \$50.00.

WALL STREET JOURNAL PRIME RATE INDEX TABLE – LOAN TO VALUES GREATER THAN OR EQUAL TO 90.01%

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2007.....	8.250	4.000	12.250	\$180.00
2008.....	6.000	4.000	10.000	\$128.00
2009.....	3.250	4.000	7.250	\$119.00
2010.....	3.250	4.000	7.250	\$108.00
2011.....	3.250	4.000	7.250	\$99.00
2012.....	3.250	4.000	7.250	\$89.00
2013.....	3.250	4.000	7.250	\$81.00
2014.....	3.250	4.000	7.250	\$74.00
2015.....	3.250	4.000	7.250	\$67.00
2016.....	3.500	4.000	7.500	\$61.00
2017.....	3.750	4.000	7.750	\$55.00
2018.....	4.500	4.000	8.500	\$51.00
2019.....	5.500	4.000	9.500	\$50.00 ⁽²⁾
2020.....	4.750	4.000	8.750	\$50.00 ⁽²⁾
2021.....	3.250	4.000	7.250	\$50.00 ⁽²⁾⁽³⁾

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

⁽²⁾ This payment reflects the minimum payment of \$50.00.

⁽³⁾ The last payment for this year would be a final balloon payment of \$2,237.37.

