



**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:** We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (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, or (8) the maximum annual percentage rate is reached.

**RESIDENCE:** The property which secures the plan must be your residence, either a primary residence or second home. You will be in default of a material obligation of the agreement if you fail to maintain the property as your residence, which means we could refuse to make additional extensions of credit or reduce your credit limit (see #4 in the "POSSIBLE ACTIONS" paragraph above).

**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. After the draw period ends the repayment period will begin. The length of the repayment period will be 15 years. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges, including voluntary payment protection. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe. You will be required to make monthly payments during the draw and repayment periods. We will round the payment up to the next dollar.

During the draw period your payment will be 1.3% of the outstanding balance at the end of each billing period or \$100.00, whichever is greater. At the end of the draw period, you will not be able to take additional advances and will have to repay the outstanding balance over 15 years. We will calculate the payment to repay the balance by the end of the repayment period at the then current annual percentage rate. We will recalculate the payment each time the annual percentage rate changes to pay off the balance by the end of the repayment period. Your payment will increase or decrease due to changes in the annual percentage rate.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payment and took no other credit advances it would take 9 years 4 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 111 payments of \$100.00 to \$130.00 and one (1) final payment of \$60.60.

**FEES AND CHARGES:** Fees paid to third parties to open the plan generally range between \$195.00 and \$2,800.00 based on the plan's credit limit:

Credit Limit	Range of Third Party Fees
Up to \$24,999.99	\$194.00 - \$600.00
\$25,000.00 to \$49,999.99	\$320.00 - \$800.00
\$50,000.00 & Above	\$510.00 - \$2,800.00

If you ask, we will provide you with an itemization of the fees paid to third parties by us.

**REIMBURSEMENT OF THIRD PARTY FEES:** Lender may pay bona-fide third party fees on borrower's behalf. Borrower must keep the plan open for a minimum of 36 months or be liable to reimburse Lender for fees paid on borrower's behalf, as permitted by applicable law. Any amounts owed will be added onto the principal balance.

**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) may change as a result. An increase in the annual percentage rate during the draw period will result in more payments or a higher balance being owed at the end of the draw period. An increase in the annual percentage rate during the repayment period will result in higher payments. 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 45 days 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. The margin you receive is based on your credit limit. We have recently offered the margins shown below:

Credit Limit	Margins
Up to \$24,999.99	0.99%
\$25,000.00 to \$49,999.99	0.00%
\$50,000.00 & Above	- 0.25%

If the rate is not already rounded we then round up to the next .125%.

The initial annual percentage rate is "discounted" - it is not based on the index and margin used for later rate adjustments. The initial rate will be in effect for 6 months. Ask us for the current index value, margin, discount 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 quarterly on the 21<sup>st</sup> day of January, April, July and October after the expiration of any discount period. 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 13.00% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 1.25% at any time during the term of the plan.

**MAXIMUM RATE AND PAYMENT EXAMPLES:** During the draw period, if you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 13.0% would be \$130.00. This annual percentage rate could be reached at the time of the 7th payment.

During the repayment period, if you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 13.0% would be \$127.00. This annual percentage rate could be reached at the time of the 1st payment.

**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 from 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

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	<b>ANNUAL PERCENTAGE RATE</b>	Monthly Payment (Dollars)
2000 .....	8.500	0.00	1.250 <sup>(2)</sup>	130.00
2001 .....	9.000	0.00	9.000	113.00
2002 .....	4.750	0.00	4.750	106.00
2003 .....	4.250	0.00	4.250	100.00 <sup>(3)</sup>
2004 .....	4.000	0.00	4.000	100.00 <sup>(3)</sup>
2005 .....	5.250	0.00	5.250	100.00 <sup>(3)</sup>
2006 .....	7.500	0.00	7.500	100.00 <sup>(3)</sup>
2007 .....	8.250	0.00	8.250	100.00 <sup>(3)</sup>
2008 .....	6.000	0.00	6.000	100.00 <sup>(3)</sup>
2009 .....	3.250	0.00	3.250	100.00 <sup>(3)</sup>
2010 .....	3.250	0.00	3.250	100.00 <sup>(3)</sup>
2011 .....	3.250	0.00	3.250	
2012 .....	3.250	0.00	3.250	
2013 .....	3.250	0.00	3.250	
2014 .....	3.250	0.00	3.250	

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

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

<sup>(3)</sup> This payment reflects the minimum payment of \$100.00.