

## IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

TESTCASE

Loan #: HE00014505

This disclosure contains important information about our Home Equity Line of Credit. 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 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 paid to us or anyone in connection with your application.

**Security Interest:** We will take a mortgage on 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 terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- You engage in fraud or material representation in connection with the line.
- You do not meet the repayment terms.
- Your action or inaction adversely affects the collateral or our rights to the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- The value of the dwelling securing the line declines significantly below its appraised value for the purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- Your credit score drops below the minimum score required to obtain this Credit Account.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum Annual Percentage Rate is reached.

**Minimum Payment Requirements:** You can obtain advances of credit for **60** months (the "draw period"). During the draw period, payments will be due monthly. Your minimum monthly payment will be due and payable on the date shown on the monthly statement.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over **240** months (the "repayment period"). During the repayment period, payments will be due monthly. Your minimum monthly payment will be calculated in an amount that will fully amortize your outstanding balance at the time the Draw Period ends plus the finance charges that have accrued on the remaining balance. Your final payment may be a slightly different amount to repay your HELOC in full.

**Minimum Payment Example:** If you made only the minimum monthly payments and took no other credit advances, it would take 25 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of **13.950%**. During that period, you would make **60** monthly payments of \$116.25 followed by **240** monthly payments varying between \$77.53 and \$123.99.

**Property Insurance:** You must carry insurance on the property that secures this plan.

**Fees and Charges:** To open and maintain a line of credit, you must pay the following fees to us:

**Fees Due at Closing:**

Origination Point(s) 4.99% of the credit limit

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**Fees Due During the Term of the Agreement: \$0**

**Third Party Fees:** You also must pay certain fees to third parties to open a line.

These fees generally total between \$0 and \$0. If you ask, we will give you an itemization of the fees you will have to pay to

third parties.

**Minimum Draw and Balance Requirements:** The required minimum advance amount on the initial draw is the amount of the Loan Origination Fee. The required minimum advance amount on subsequent draws is \$5,000.

**Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges for the line.

**Variable-Rate Information:** The line has a variable-rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result.

The Annual Percentage Rate includes only interest and not 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*. To determine the Annual Percentage Rate that will apply to your line, we add a margin to the value of the index.

Ask us for the current index value, margin, discount or premium, and Annual Percentage Rate. After you open a credit line, rate information will be provided on periodic statements that we will send you.

**Rate Changes:** The Annual Percentage Rate can change monthly. The maximum ANNUAL PERCENTAGE RATE that can apply is **13.950%**. Except for this "cap," there is no limit on the amount by which the rate can change during any one-year period.

**Maximum Rate and Payment Examples:** If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of **13.950%** would be **\$116.25** (interest only). This Annual Percentage Rate could be reached during the first month of the draw period.

If you had an outstanding balance of \$10,000 during the repayment period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of **13.950%** would be **\$123.99**. This Annual Percentage Rate could be reached during the first month of the repayment period.

**Historical Example:** The following table shows how the Annual Percentage Rate and the minimum monthly 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 January of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made each month, 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.

Draw Period	Year	Index (%)	Margin* (%)	Annual Percentage Rate ** (%)	Minimum Monthly Payment (Dollars) if during Draw Period	Minimum Monthly Payment (Dollars) if during Repayment Period
	2010	3.25	7.00	10.25	85.42	98.16
	2011	3.25	7.00	10.25	85.42	98.16
	2012	3.25	7.00	10.25	85.42	98.16
	2013	3.25	7.00	10.25	85.42	98.16
	2014	3.25	7.00	10.25	85.42	98.16
Repayment Period	2015	3.25	7.00	10.25	85.42	98.16
	2016	3.50	7.00	10.50	87.50	99.84
	2017	3.75	7.00	10.75	89.58	101.52
	2018	4.50	7.00	11.50	95.83	106.64
	2019	5.50	7.00	12.50	104.17	113.61
	2020	4.75	7.00	11.75	97.92	108.37
	2021	3.25	7.00	10.25	85.42	98.16
	2022	3.25	7.00	10.25	85.42	98.16
	2023	7.50	7.00	13.95	116.25	123.99
	2024	8.50	7.00	13.95	116.25	123.99

\*This is a margin we have used recently.

\*\*Based on the life rate cap of 13.95%, your loan's life rate cap may be different.