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IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINE OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF.

Availability of Terms

All 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 you paid to us or anyone else in connection with your application.

Security Interest

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the Governing Law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) for variable-rate plans, the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Home Equity Plans

We offer two (2) variable-rate Home Equity Line of Credit plans. The pricing structure for these plans will be determined by Your creditworthiness, its initial introductory rate and corresponding Combined-Loan-To-Value (CLTV). Your creditworthiness will be determined by your credit score, and will fall into one of five (5) interest rate tiers, with the highest credit score tier generally qualifying for the lowest interest rate tier, and the lowest acceptable credit score tier generally qualifying for the highest interest rate tier. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and established and fixed at the time of each advance based on the interest rate in effect on that date. When the interest rate in effect at the time of an advance is equal to or less than 12.00%, the minimum periodic payment will be an amount equal to 1.00% of your then unpaid balance. If the interest rate in effect at the time of an advance is greater than 12.00%, the minimum periodic payment will be an amount equal to 1.40% of your then unpaid balance. In any case, all minimum periodic payments are subject to the lesser of \$100.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 180 months. During the repayment period, your payment will be established on the first day of the repayment period, and subsequently, on the first day of each calendar quarter, to that which is necessary to fully amortize Your then unpaid balance by the Agreement Maturity Date, subject to the lesser of \$100.00 or your account balance.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the repayment period in which case, you will be required to pay your entire remaining balance in a single balloon payment on the Agreement Maturity Date.

Negative Amortization

Under some circumstances, your payment will not cover the Finance Charges that accrue and Negative Amortization will occur. Negative Amortization will increase the amount that you owe us and reduce your equity in your home.

Minimum Payment Examples

80.00% and less CLTV (Plan 1)

If you made only the minimum payments and took no other credit advances, it would take 128 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 120 monthly payments of \$100.00, followed by 7 monthly payments of \$100.00 and a final payment of \$55.89.

80.01% - 90.00% CLTV (Plan 2)

If you made only the minimum payments and took no other credit advances, it would take 130 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 120 monthly payments of \$100.00, followed by 9 monthly payments of \$100.00 and a final payment of \$63.86.

Fees And Charges

To open and maintain a line of credit, you may have to pay certain fees to third parties. These fees generally total \$ 500.00 - \$ 1800.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan.

Minimum Draw And Balance Requirements

The minimum initial credit advance you can receive is \$5,000.00. The minimum subsequent credit advance you can receive is \$250.00.

Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

Variable-Rate

After the expiration of the Introductory Rate period, your account will be subject to a variable interest rate. The annual percentage rate (corresponding to the periodic rate), the number of your regularly scheduled payments during the draw period and the amount of Your regularly scheduled payments during the repayment period

can 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 United States Prime Rate as published in Bloomberg on the day the Introductory Rate period expires, and subsequently, on the 25th day of the last month of each calendar quarter. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, any discount and the annual percentage rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change on the expiration of the introductory rate period and subsequently on the first day of each calendar quarter thereafter. Other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account, and except for when the introductory period expires, your interest rate will never change by more than 2.00% per calendar year.

Following the expiration of the Introductory Rate period, the minimum **ANNUAL PERCENTAGE RATE** at any time is 4.75%. The maximum **ANNUAL PERCENTAGE RATE** at any time is the lesser of: (a) 16.00%; or (b) the non-introductory rate that would have been in effect on the date Your Account was established plus 6.00 percentage points (6.00%).

Introductory Rates

Plan 1

For the 36-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 5.75%*. Upon the expiration of the Introductory Rate period, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is not based on the index and margin used for later adjustments.

*This represents an Introductory Rate we have recently used.

Plan 2

For the 36-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 6.75%*. Upon the expiration of the Introductory Rate period, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is not based on the index and margin used for later adjustments.

*This represents an Introductory Rate we have recently used.

Maximum Rate And Payment Examples

Plan 1

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 10.75% would be \$140.00. This Annual Percentage Rate could be reached during the 37th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 10.75% would be \$112.10. This Annual Percentage Rate could be reached during the 19th month of the repayment period.

Plan 2

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 11.00% would be \$140.00. This Annual Percentage Rate could be reached during the 37th month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 11.00% would be \$113.67. This Annual Percentage Rate could be reached during the 19th month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2006. The index is from The Wall Street Journal and is calculated on the first business day of June of each year. While only one payment amount per year is shown, payments may have varied during the 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 the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2006	8.00	0.75	1.75	5.75% ⁽³⁾	6.75% ⁽⁴⁾	DRAW	\$100.00	\$100.00
2007	8.25	0.75	1.75	5.75% ⁽³⁾	6.75% ⁽⁴⁾	DRAW	\$100.00	\$100.00
2008	5.00	0.75	1.75	5.75% ⁽³⁾	6.75% ⁽⁴⁾	DRAW	\$100.00	\$100.00
2009	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2010	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2011	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2012	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2013	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2014	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2015	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	DRAW	\$100.00	\$100.00
2016	3.50	0.75	1.75	4.75% ⁽⁵⁾	5.25%	REPAYMENT	\$100.00 ⁽⁶⁾	\$100.00 ⁽⁶⁾
2017	4.00	0.75	1.75	4.75%	5.75%	REPAYMENT	\$0.00	\$100.00 ⁽⁶⁾
2018	4.75	0.75	1.75	5.50%	6.50%	REPAYMENT	\$0.00	\$0.00
2019	5.50	0.75	1.75	6.25%	7.25%	REPAYMENT	\$0.00	\$0.00
2020	3.25	0.75	1.75	4.75% ⁽⁵⁾	5.00%	REPAYMENT	\$0.00	\$0.00

- (1) This represents a Margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Plan 1 lines of credit.
- (2) This represents a Margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Plan 2 lines of credit.
- (3) This represents the introductory rate (that we have recently used) for our Plan 1 lines of credit.
- (4) This represents the introductory rate (that we have recently used) for our Plan 2 lines of credit.
- (5) This represents the 4.75% minimum interest rate.
- (6) This represents the \$100.00 minimum payment.