

IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. ALL TERMS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

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) 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) Home Equity Line of Credit Plans that differ based on the manner in which payments are calculated during the draw period. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

Standard Plan

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established at the close of each billing cycle at an amount 1.50% of your then unpaid principal balance, 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 in no event exceed 180 months. During the repayment period, your payment will be established and fixed on the first day of the repayment period, to the amount necessary to fully amortize your then outstanding account balance by the Agreement Maturity Date at a rate equal to the then-current Variable Rate index plus a margin of three percentage points (3.00%).

Interest Only Plan

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis and will be established at the close of each billing cycle at an amount equal to all accrued yet unpaid finance charges due.

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 in no event exceed 180 months. During the repayment period, your payment will be established and fixed on the first day of the repayment period, to the amount necessary to fully amortize your then outstanding account balance by the Agreement Maturity Date at a rate equal to the then-current Variable Rate index plus a margin of three percentage points (3.00%).

Minimum Payment Example

Standard Plan

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 10.98% during the draw period and 11.50% during the repayment period. During that period, you would make 120 monthly payments varying between \$150.00 and \$100.00, followed by 179 monthly payments of \$48.53 and a final payment of \$49.53.

Interest Only Plan

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 10.98% during the draw period and 11.50% during the repayment period. During that period, you would make 120 monthly payments of \$91.51, followed by 179 monthly payments of \$116.82 and a final payment of \$117.82.

Negative Amortization

Standard Plan

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.

Fees and Charges

To open and maintain a line of credit, you must pay certain fees to third parties. These fees generally total from \$100.00 to \$1,500.00. 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.

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

Variable Rate Feature
These Plans have a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) may change. Changes to the Annual Percentage Rate are based on changes in an index. During the draw period, the index is the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the last day of each billing cycle. To determine the Annual Percentage Rate that will apply to your line of credit during the draw period, we add a margin to the value of the index. For Standard Plans, a change in the Annual Percentage Rate during the draw period may result in a change in the number of minimum payments. For Interest Only Plans, a change in the Annual Percentage Rate during the draw period may result in a change in the amount of your minimum payments. During the repayment period, the index is the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the first day of the repayment period. To determine the Annual Percentage Rate that will apply to your line of credit during the repayment period, we add a margin to the value of the index, which may be different than the margin we used during the draw period. The interest rate that we establish at the beginning of the repayment period will remain in effect for the duration of the repayment period. For all Plans, a change in the Annual Percentage Rate in effect at the beginning of the repayment period may result in a change in the amount of your minimum payments. The Annual Percentage Rate includes only interest and no other costs. Ask us for the current index value, margins and 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 monthly during the draw period. Your Annual Percentage Rate can also change on the first day of the repayment period. There is no limit on the amount by which the interest rate can change during any one year period other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account.

The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.99%. The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

Maximum Rate and Payment Examples
Standard Plan

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This Annual Percentage Rate could be reached during the 1st 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 18.00% would be \$161.06. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Interest Only Plan
If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.02. This Annual Percentage Rate could be reached during the 1st 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 18.00% would be \$161.06. This Annual Percentage Rate could be reached during the 1st 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 2010. The index is from The Wall Street Journal and is calculated on the first business day of September 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(1)	ANNUAL PERCENTAGE RATE	Payment Period	Minimum Payment	
					(2)	(3)
2010	3.25	2.24	5.49%	DRAW	\$150.00	\$45.76
2011	3.25	2.24	5.49%	DRAW	\$132.28	\$45.76
2012	3.25	2.24	5.49%	DRAW	\$116.64	\$45.76
2013	3.25	2.24	5.49%	DRAW	\$102.86	\$45.76
2014	3.25	2.24	5.49%	DRAW	\$100.00(4)	\$45.76
2015	3.25	2.24	5.49%	DRAW	\$100.00(4)	\$45.76
2016	3.50	2.24	5.74%	DRAW	\$100.00(4)	\$47.84
2017	4.25	2.24	6.49%	DRAW	\$100.00(4)	\$54.09
2018	5.00	2.24	7.24%	DRAW	\$100.00(4)	\$60.34
2019	5.25	2.24	7.49%	DRAW	\$100.00(4)	\$62.42
2020	3.25	3.00	6.25%(5)	REPAYMENT	\$0.00	\$85.74
2021	3.25	3.00	6.25%(5)	REPAYMENT	\$0.00	\$85.74
2022	5.50	3.00	6.25%(5)	REPAYMENT	\$0.00	\$85.74
2023	8.50	3.00	6.25%(5)	REPAYMENT	\$0.00	\$85.74
2024	8.50	3.00	6.25%(5)	REPAYMENT	\$0.00	\$85.74

(1) This represents a margin we have recently used.
(2) This represents the minimum payment for our Standard Plans.
(3) This represents the minimum payment for our Interest Only Plans.
(4) This represents the \$100.00 minimum payment for our Standard Plans.
(5) This represents the Annual Percentage Rate during the repayment period.