

Date:

Borrower Name(s):

Property Address:

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

(10-Year Draw / 10-Year Repay)

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 the annual percentage rate) and you decide, solely as a result of such change, 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 mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us. **YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY A JUNIOR MORTGAGE.**

Possible Actions: We can terminate your line and require you to pay us the entire outstanding balance in one payment if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- 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, or both, if:
- The value of the dwelling securing the line declines significantly below its appraised value for 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.
- 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 the priority of our security interest such that the value of the interest is less than 120 percent of the credit line.
- The maximum annual percentage rate is reached
- The creditor is notified by its regulatory agency that continued advances constitute an unsafe and unsound practice.

The initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

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 is 10 years. You will be required to make monthly payments during both the draw and repayment periods. Each time you obtain a credit advance during the draw period we will (at the end of the month in which the advance was taken) calculate your payment to repay the balance over a ten year period (120 monthly or 520 weekly payments). After the draw period ends your payment may be calculated to pay off the outstanding balance at the current annual percentage rate by the maturity date. That payoff period will be 10 years

Your payment may change if the annual percentage rate increases. Each time the annual percentage rate increases we will review the effect the increase has had on your plan. If the annual percentage rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges.

Minimum Payment Example:

Monthly Payments: If you made only the minimum monthly payment and took no other credit advances it would take 10 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of **5.500%**. During that period, you would make 119 payments of \$108.53 and one (1) final payment of \$107.62.

Weekly Payments: If you made only the minimum weekly payment and took no other credit advances it would take 10 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of **5.500%**. During that period, you would make 519 payments of \$25.01 and one (1) final payment of \$19.31.

Fees and Charges: To open and maintain an account, you must pay the following fees:

Document Preparation Fee	Pd. to Members Ins. PBL \$65.00	\$
Flood Determination	Pd. to Members Ins. PBL \$18.00	\$
Appraisal Review Fee	Pd. to Members Ins. PBL \$112.00	\$
Credit Report Fee	Pd. to Equifax PBL \$22.00	\$
Equiguard Pro	Pd. to Members Ins. PBL \$110.00	\$
Recording Fee	Registry of Deeds PBL \$205.00	\$
<i>Annual Charge: (due each year beginning on the first anniversary of opening the account)</i>		\$
<i>Demand Statement Expedited Delivery Fee: (due when account paid in full)</i>		\$

You may also be required to pay certain fees to third parties (such as appraisers, credit reporting firms, and government agencies) to open a line. These fees generally total between \$ **0.00** and \$ **532.00**. If you ask, we will give you an itemization of the fees you will have to pay to third parties. In New York, the title insurance premium (if applicable) and mortgage recording tax will be based on the maximum amount of the credit line available to you, regardless of how much is advanced to you at any time. If you engage a broker to arrange a line of credit for you, you may be charged fees by the broker for his/her services.

Refundability of Fees: If you decide not to enter into this line of credit within three 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: In addition to these fees and charges, you must carry insurance (including, without limitation, flood insurance if required) on the property that secures the line. You may select the insurance company or agent of your choice, provided the insurance company and coverage meet our requirements.

Transaction Requirement: The minimum credit advance that you can receive is \$5,000.00 for the first advance and \$0.00 for each subsequent advance.

Minimum-Draw Requirement: Except as limited above, the minimum credit advance that you can receive is \$ _____.

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

Variable-Rate Feature: The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly 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 highest prime rate as published in the "Money Rates" table of *The Wall Street Journal* as of the last business day of the calendar month. To determine the annual percentage rate that will apply to your line, we add a margin to the value of the index.

The initial annual percentage rate is "discounted" - it is not based on the index and margin used for later rate adjustments. The initial, discounted rate will be in effect during the first _____ months (approximately _____ months) after your line is open.

The initial annual percentage rate is not discounted.

Ask us for the current index value, margins, discount and annual percentage rates. Margins vary depending on combined loan to value ratios, underwriting criteria and certain account features. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes: The annual percentage rate can change monthly. (If the initial rate is "discounted," the annual percentage rate can change monthly once the initial "discount" period expires.) The maximum ANNUAL PERCENTAGE RATE that can apply is **16.000%**

and the Minimum rate is **5.500%**. Apart from this rate “cap,” there is no limit on the amount by which the rate can change during any one-year period.

Maximum-Rate and Payment Examples:

Monthly Payments: If you had an outstanding balance of \$10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 16% would be \$167.51. This annual percentage rate could be reached at the time of the 1st payment.

Weekly Payments: If you had an outstanding balance of \$10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 16% would be \$38.58. 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 monthly payments for a \$10,000.00 outstanding balance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of January of each year. While only one payment amount per year is shown, payments during the repayment period may have varied during each year.

The table assumes an outstanding balance of \$10,000, 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.

Year	Index (%)	Margin (%) ¹	ANNUAL PERCENTAGE RATE (%) ²	Monthly Minimum Payment (\$)
2011	3.250%	1.500%	5.500%	\$108.54
2012	3.250%	1.500%	5.500%	\$108.54
2013	3.250%	1.500%	5.500%	\$108.54
2014	3.250%	1.500%	5.500%	\$108.54
2015	3.250%	1.500%	5.500%	\$108.54
2016	3.500%	1.500%	5.500%	\$108.54
2017	3.750%	1.500%	5.500%	\$108.54
2018	4.500%	1.500%	6.000%	\$108.54
2019	5.500%	7.000%	7.000%	\$108.54
2020	4.750%	1.500%	6.250%	\$108.54
2021	3.250%	1.500%	5.500%	0.00
2022	3.250%	1.500%	5.500%	0.00
2023	7.500%	1.500%	9.000%	0.00
2024	8.500%	1.500%	10.000%	0.00
2025	7.500%	1.500%	9.000%	0.00

¹ This is a margin we have used or made available recently.

² The ANNUAL PERCENTAGE RATE reflects a **5.500%** floor.
Index values are from the first business day of January.

By signing below, you hereby acknowledge receipt of this "Important Terms of Our Home Equity Line of Credit" Disclosure and a copy of the Home Equity Brochure, "When Your Home is on the Line," on the date indicated next to your signature.

Signatures

_____ Date _____ Date