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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 Plans. 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.

HOME EQUITY PLANS: We offer two payment options and terms apply to both plans unless specifically designated as only applying to one of them.

VISA CREDIT CARD ACCESS: Upon your request and our approval, we may issue you a VISA® credit card to access these home equity plans.

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. The length of the repayment period will be 5 years. You will be required to make monthly payments during the draw and repayment periods. The minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon payment at the maturity date. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs.

The minimum monthly payment depends on whether you have the "Regular Payment" plan or "Interest Only" plan, as described below.

Regular Payment Plan: Your payment will be 1.0% of the balance each month or \$50.00, whichever is greater. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases so much that the minimum payment is not adequate to pay the accrued finance charges (interest), we will increase your payment to the amount necessary to cover the interest that is due.

Interest Only Plan: During the draw and repayment periods your monthly payment will equal the finance charges (interest) that accrued on the outstanding balance during the preceding month. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases, you will be required to make a higher payment. The minimum payment will not reduce the principal that is outstanding on your plan.

MINIMUM PAYMENT EXAMPLES: **Regular Payment Plan** If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 6.75%. During that period, you would make 179 payments of \$50.00 to \$100.00 and a final balloon payment of \$4,545.28.

Interest Only Plan If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.25%. During that period, you would make 179 payments of \$55.62 to \$61.58 and a final balloon payment of \$10,061.58.

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Loan Processing Fee: \$250.00 (Due at closing)

You may have to pay certain fees to third parties to open the plan. These fees generally total between \$0.00 and \$950.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

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: These plans have a variable rate feature and the annual percentage rate (corresponding to the periodic rate) may change as a result. If you have the Regular Payment Plan, an increase in the annual percentage rate will cause you to make more payments during the plan and the amount of a balloon payment, if any, will increase. If you have the Interest Only Plan, an increase in the annual percentage rate will cause you to make 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 1 day 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. Ask us for the current index value, margin and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

MARGIN: The margin you receive is based on certain creditworthiness criteria as well as the amount of equity in your property. You may not qualify for the margin shown in the Historical Table. Please ask us for information about the margin for which you qualify.

RATE CHANGES: The annual percentage rate can change on the first business day of each month. 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 18.0% or the maximum permitted by law, whichever is less. However, the **ANNUAL**

PERCENTAGE RATE will never be lower than 5% for the Regular Payment Plan or 6% for the Interest Only Plan. Aside from either of your plan options, a minimum **ANNUAL PERCENTAGE RATE** of 6% will apply if your plan is a non-owner occupied plan.

MAXIMUM RATE AND PAYMENT EXAMPLES: Regular Payment Plan: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$152.88. This annual percentage rate could be reached at the time of the 1st payment. Interest Only Plan: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.0% would be \$152.88. This annual percentage rate could be reached at the time of the 1st payment.

PREFERRED RATE: Your disclosed **ANNUAL PERCENTAGE RATE** may include a .50% reduction because you agreed to pre-authorized transfers from a Savings or Checking account for your loan payments. If you fail to maintain preferred rate status, we may increase your **ANNUAL PERCENTAGE RATE** .50% above the preferred rate. You may permanently lose preferred rate status if you are past due 30 or more days, change your payment method, or your automatic payment fails.

HISTORICAL EXAMPLE: The following tables show 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 tables assume that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. They do not necessarily indicate how the index or your payments will change in the future.

- HISTORICAL TABLES ARE FOUND ON THE NEXT PAGE -

WALL STREET JOURNAL PRIME RATE INDEX TABLE – REGULAR PAYMENT PLAN

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2012.....	3.250	0.00	5.000 ⁽²⁾	100.00
2013.....	3.250	0.00	5.000 ⁽²⁾	93.23
2014.....	3.250	0.00	5.000 ⁽²⁾	86.91
2015.....	3.250	0.00	5.000 ⁽²⁾	81.02
2016.....	3.500	0.00	5.000 ⁽²⁾	75.53
2017.....	3.750	0.00	5.000 ⁽²⁾	70.42
2018.....	4.500	0.00	5.000 ⁽²⁾	65.64
2019.....	5.500	0.00	5.500	61.19
2020.....	4.750	0.00	5.000 ⁽²⁾	57.33
2021.....	3.250	0.00	5.000 ⁽²⁾	53.45
2022.....	3.250	0.00	5.000 ⁽²⁾	50.00 ⁽³⁾
2023.....	7.500	0.00	7.500	50.00 ⁽³⁾
2024.....	8.500	0.00	8.500	50.00 ⁽³⁾
2025.....	7.500	0.00	7.500	50.00 ⁽³⁾
2026.....	6.750	0.00	6.750	50.00 ⁽³⁾⁽⁴⁾

- ⁽¹⁾ This is a margin we have used recently; your margin may be different.
- ⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects a 5.000% floor.
- ⁽³⁾ This payment reflects the minimum payment of \$50.00.
- ⁽⁴⁾ The last payment for this year would be a final balloon payment of \$3,520.11.

WALL STREET JOURNAL PRIME RATE INDEX TABLE – INTEREST ONLY PAYMENT PLAN

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2012.....	3.250	0.50	6.000 ⁽²⁾	50.96
2013.....	3.250	0.50	6.000 ⁽²⁾	50.96
2014.....	3.250	0.50	6.000 ⁽²⁾	50.96
2015.....	3.250	0.50	6.000 ⁽²⁾	50.96
2016.....	3.500	0.50	6.000 ⁽²⁾	50.96
2017.....	3.750	0.50	6.000 ⁽²⁾	50.96
2018.....	4.500	0.50	6.000 ⁽²⁾	50.96
2019.....	5.500	0.50	6.000	50.96
2020.....	4.750	0.50	6.000 ⁽²⁾	50.96
2021.....	3.250	0.50	6.000 ⁽²⁾	50.96
2022.....	3.250	0.50	6.000 ⁽²⁾	50.96
2023.....	7.500	0.50	8.000	67.95
2024.....	8.500	0.50	9.000	76.44
2025.....	7.500	0.50	8.000	67.95
2026.....	6.750	0.50	7.250	61.58 ⁽³⁾

- ⁽¹⁾ This is a margin we have used recently; your margin may be different.
- ⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects the minimum floor rate of 6.00%.
- ⁽³⁾ The last payment for this year would be a final balloon payment of \$10,061.58.