

IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY SECURED 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 and require payment in full of the entire outstanding balance in a single payment, or subject to the Governing Law, cause the Security Property to be sold and the proceeds of sale to be applied to your obligation to us. To the extent permitted by law, 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 annual percentage rate provided for or impairs our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum annual percentage rate under the plan is reached; or (9) a regulatory agency has notified us 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.

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

Minimum Payment Requirements

You can obtain credit advances for 60 months (the draw period). During the draw period, payments will be due on a monthly basis. Your minimum monthly payment will be an amount equal to 1.60% of the balance at the close of each billing cycle, plus any portion of the minimum payment(s) shown on prior statement(s) which remains unpaid and any other applicable charges. Your minimum monthly payment is subject to a minimum in any event of 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 the outstanding 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 120 months. During the repayment period, your minimum periodic payment will be established and fixed on the first day of the repayment period to the amount necessary to fully amortize your outstanding account balance no later than 120 months from the end of the draw period, 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 account balance in a single balloon payment on the Agreement Maturity Date.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 110 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.50%. During that period, you would make 60 monthly payments varying between \$160.00 and \$100.00, followed by 49 monthly payments of \$100.00 and a final payment of \$48.43.

Fees And Charges

To open and maintain a line of credit, you must pay us a \$50.00 Application Fee*. You must also pay certain fees to third parties. These fees generally total from \$200.00 to \$600.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

*This fee is due and payable three days after you receive this disclosure and is non-refundable unless the terms shown herein change prior to your account being established and, as a result, you decide not to enter into an agreement with us.

Minimum Draw And Balance Requirements

The minimum initial credit advance you can receive is \$2,500.00.

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

This plan has a Variable Rate feature. The Annual Percentage Rate (corresponding to the periodic rate), the number of regularly scheduled payments during the draw period, and the amount of your final payment 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 average 26 Week T-Bill Rate as published in the Money Rates Section of The Wall Street Journal in effect for the last month of each calendar quarter of each year. If more than one rate is shown, we will use the higher rate. 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, discount 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 on the first day of each calendar quarter. Your interest rate cannot increase or decrease more than 2.00 percentage points each year.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00% The minimum **ANNUAL PERCENTAGE RATE** at any time is 4.50%.

Maximum Rate And Payment Examples

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 \$160.00. This Annual Percentage Rate could not be reached during 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 \$180.19. This Annual Percentage Rate could be reached during the 66th 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 July 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
2006	5.090	2.42	7.510%	DRAW	\$160.00
2007	4.795	2.42	7.215%	DRAW	\$142.27
2008	2.100	2.42	5.215%(3)	DRAW	\$126.12
2009	0.330	2.42	4.500%(2)	DRAW	\$109.57
2010	0.190	2.42	4.500%(2)	DRAW	\$100.00(4)
2011	0.080	2.42	4.500%(2)	REPAYMENT	\$100.00(4)
2012	0.140	2.42	4.500%(2)	REPAYMENT	\$100.00(4)
2013	0.080	2.42	4.500%(2)	REPAYMENT	\$100.00(4)
2014	0.060	2.42	4.500%(2)	REPAYMENT	\$100.00(4)
2015	0.090	2.42	4.500%(2)	REPAYMENT	\$100.00(4)
2016	0.325	2.42	4.500%(2)	REPAYMENT	-0-
2017	1.100	2.42	4.500%(2)	REPAYMENT	-0-
2018	2.060	2.42	4.500%(2)	REPAYMENT	-0-
2019	2.020	2.42	4.500%(2)	REPAYMENT	-0-
2020	0.170	2.42	4.500%(2)	REPAYMENT	-0-

(1) This represents a margin we have recently used.

(2) This represents the 4.50% Minimum Interest Rate.

(3) This represents the 2.00 percentage point per year rate change limitation.

(4) This represents the \$100.00 Minimum Payment.