

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. THE TERMS FOR ALL PLANS 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 and require payment in full of the entire outstanding balance in a single payment.

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) You fail to maintain the Security Property as Your owner-occupied dwelling; (6) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (7) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (8) 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; (9) the maximum annual percentage rate under the plan is reached; or (10) a regulatory agency has notified us that further advances under this plan constitute an unsafe and unsound practice.

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.

Home Equity Plans

We offer four (4) Home Equity Lines of Credit. The Plans differ based on the margin and whether or not an Introductory Rate is offered. Plan 1 requires a Combined Loan-to-Value (CLTV) less than 80%, provides for a margin equal to 0.00% and does not have an Introductory Rate. Plan 2 requires a Combined Loan-to-Value (CLTV) less than 80%, provides for a margin equal to 0.00% and does have an Introductory Rate. Plan 3 requires a Combined Loan-to-Value (CLTV) equal to and greater than 80%, provides for a margin equal to 0.50% and does not have an Introductory Rate. Plan 4 requires a Combined Loan-to-Value (CLTV) equal to and greater than 80%, provides for a margin equal to 0.50% and does have an Introductory Rate.

The margin for your plan will be based on the Combined Loan-to-Value (CLTV) ratio for your plan. The CLTV ratio is calculated by adding the current outstanding debt(s) secured by liens against the property to the maximum credit limit that will be established for your account, and dividing that amount by the value of the property. Plans with lower CLTV ratios are subject to a lower margin, and plans with higher CLTV ratios are subject to a higher margin. 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 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 the outstanding balance (the repayment period). The length of the repayment period will depend on the amount of the principal balance outstanding as of the first day of the repayment period, but in no event exceed 180 months. During the repayment period, your minimum monthly payment will be established and fixed on the first day of the repayment period to the amount necessary to fully amortize the then unpaid principal balance (using the interest rate in effect on the first day of the repayment period) by the Agreement Maturity Date, subject to the lesser of \$100.00 or your balance.

Minimum Payment Examples

Plan 1 & Plan 2

If you made only the minimum payments and took no other credit advances, it would take 278 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.50%. During that period, you would make 120 monthly payments of \$62.51, followed by 157 monthly payments of \$100.00, and a final payment of \$43.55.

Plan 3 & Plan 4

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 8.00%. During that period, you would make 120 monthly payments of \$66.67, followed by 179 monthly payments of \$95.57, and a final payment of \$96.57.

Fees and Charges

To open a line of credit, you may have to pay certain fees to third parties. These fees generally range from \$500.00 to \$1,200.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties. After your account is established, you will be charged \$3.00 each time you request an advance by telephone.

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.

Other Products

If you ask, we will provide you with information on any other home equity products we offer.

Variable Rate; Rate Changes

Plan 1 & Plan 3. During the draw period your account will be subject to a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) and the amount of your scheduled payments can change. 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 highest Prime Rate as published in the Money Rates Section of The Wall Street Journal and in effect on the 15th calendar day that immediately precedes the 1st day of each calendar quarter, rounded up to the nearest one-quarter of one percentage point (0.25%). 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. During the draw period your Annual Percentage Rate can change quarterly. Subject to the minimum and maximum Annual Percentage Rates that can apply at any time to this account, during the draw period your interest rate cannot increase or decrease by more than 2.00 percentage points (2.00%) each quarter.

On the first day of the repayment period, your interest rate will be based on the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on that day, rounded up to the nearest one-quarter of one percentage point (0.25%), plus the Margin. The interest rate established on the first day of the repayment period will not subsequently change, and will remain in effect for the duration of the repayment period.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 24.90%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 2.50%.

Ask us for the current index value, margin, and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Plan 2 & Plan 4. These Plans have an Introductory Rate feature, and for the 6-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 2.75%*.

Following the expiration of the Introductory Rate period, during the draw period your account will be subject to a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) and the amount of your scheduled payments 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 highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the date that the Introductory Rate period expires, rounded up to the nearest one-quarter of one percentage point (0.25%), and subsequently, in effect on the 15th calendar day that immediately precedes the 1st day of each calendar quarter, rounded up to the nearest one-quarter of one percentage point (0.25%). To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. During the draw period your Annual Percentage Rate can change on the date that the Introductory Rate period expires, and quarterly thereafter. Subject to the minimum and maximum Annual Percentage Rates that can apply at any time to this account, there is no limit on the amount that your interest rate may increase or decrease on the date that the Introductory Rate period expires. Subsequently, during the draw period, your interest rate cannot increase or decrease by more than 2.00 percentage points (2.00%) each quarter.

On the first day of the repayment period, your interest rate will be based on the Index in effect on that day, rounded up to the nearest one-quarter of one percentage point (0.25%), plus the Margin. The interest rate established on the first day of the repayment period will not subsequently change, and will remain in effect for the duration of the repayment period.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 24.90%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 2.50%.

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.

*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 24.90% would be \$207.52. This Annual Percentage Rate could be reached during the 26th 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 24.90% would be \$212.80. This Annual Percentage Rate could be reached during the 26th 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 24.90% would be \$207.52. This Annual Percentage Rate could be reached during the 7th 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 24.90% would be \$212.80. This Annual Percentage Rate could be reached during the 26th month of the repayment period.

Plan 3

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 24.90% would be \$207.52. This Annual Percentage Rate could be reached during the 29th 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 24.90% would be \$212.80. This Annual Percentage Rate could be reached during the 29th month of the repayment period.

Plan 4

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 24.90% would be \$207.52. This Annual Percentage Rate could be reached during 7th 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 24.90% would be \$212.80. This Annual Percentage Rate could be reached during the 29th 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 2011. The index is from The Wall Street Journal and is calculated on the first business day of February 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.

Less Than 80% CLTV (Plan 1 & Plan 2)

Year	Index	Margin (1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2011	3.25	0.00	3.25%	2.75%(4)	DRAW	\$27.09	\$22.92
2012	3.25	0.00	3.25%	3.25%	DRAW	\$27.09	\$27.09
2013	3.25	0.00	3.25%	3.25%	DRAW	\$27.09	\$27.09
2014	3.25	0.00	3.25%	3.25%	DRAW	\$27.09	\$27.09
2015	3.25	0.00	3.25%	3.25%	DRAW	\$27.09	\$27.09
2016	3.50	0.00	3.50%	3.50%	DRAW	\$29.17	\$29.17
2017	3.75	0.00	3.75%	3.75%	DRAW	\$31.25	\$31.25
2018	4.50	0.00	4.50%	4.50%	DRAW	\$37.50	\$37.50
2019	5.50	0.00	5.50%	5.50%	DRAW	\$37.50	\$37.50
2020	4.75	0.00	4.75%	4.75%	DRAW	\$39.59	\$39.59
2021	3.25	0.00	3.25%(5)	3.25%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2022	3.25	0.00	3.25%(5)	3.25%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2023	7.75	0.00	3.25%(5)	3.25%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2024	8.50	0.00	3.25%(5)	3.25%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2025	7.50	0.00	3.25%(5)	3.25%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)

- (1) This represents a margin we have recently used for our Plan 1 and Plan 2 lines of credit.
- (2) This represents the Annual Percentage Rate and Minimum Payment for our Plan 1 line of credit that does not have an introductory rate.
- (3) This represents the Annual Percentage Rate and Minimum Payment for our Plan 2 line of credit that does have an introductory rate.
- (4) This represents the introductory rate for our Plan 2 line of credit.
- (5) This represents the fixed interest rate during the repayment period.
- (6) This represents the \$100.00 minimum payment amount during the repayment period.

80% And Greater CLTV (Plan 3 & Plan 4)

Year	Index	Margin (1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2011	3.25	0.50	3.75%	2.75%(4)	DRAW	\$31.25	\$22.92
2012	3.25	0.50	3.75%	3.75%	DRAW	\$31.25	\$31.25
2013	3.25	0.50	3.75%	3.75%	DRAW	\$31.25	\$31.25
2014	3.25	0.50	3.75%	3.75%	DRAW	\$31.25	\$31.25
2015	3.25	0.50	3.75%	3.75%	DRAW	\$31.25	\$31.25
2016	3.50	0.50	4.00%	4.00%	DRAW	\$33.34	\$33.34
2017	3.75	0.50	4.25%	4.25%	DRAW	\$35.42	\$35.42
2018	4.50	0.50	5.00%	5.00%	DRAW	\$41.67	\$41.67
2019	5.50	0.50	6.00%	6.00%	DRAW	\$41.67	\$41.67
2020	4.75	0.50	5.25%	5.25%	DRAW	\$43.75	\$43.75
2021	3.25	0.50	4.00%(5)	4.00%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2022	3.25	0.50	4.00%(5)	4.00%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2023	7.75	0.50	4.00%(5)	4.00%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2024	8.50	0.50	4.00%(5)	4.00%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)
2025	7.50	0.50	4.00%(5)	4.00%(5)	REPAYMENT	\$100.00(6)	\$100.00(6)

- (1) This represents a margin we have recently used for our Plan 3 and Plan 4 lines of credit.
- (2) This represents the Annual Percentage Rate and Minimum Payment for our Plan 3 line of credit that does not have an introductory rate.
- (3) This represents the Annual Percentage Rate and Minimum Payment for our Plan 4 line of credit that does have an introductory rate.
- (4) This represents the introductory rate for our Plan 4 line of credit.
- (5) This represents the fixed interest rate during the repayment period.
- (6) This represents the \$100.00 minimum payment amount during the repayment period.