

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN - FR & VR

This disclosure contains important information about our Home Equity Line of Credit Plan. You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS: All of the terms are subject to change. If these terms change (other than the annual percentage rate) and you decide, as a result, not to enter 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 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.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 20 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 will depend on the balance at the time of the last advance you obtain before the draw period ends.

You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 360 monthly payments will be used to calculate your payment. The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will remain the same unless you obtain another credit advance. Your payment may also 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: If you only made the minimum monthly payment and took no other credit advances it would take 30 years to pay off a credit advance of \$10000 at an **ANNUAL PERCENTAGE RATE** of 4.5%. During that period, you would make 359 payments of \$50.69 and one (1) final payment of \$44.39.

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

NY Mortgage Tax: \$_____ (Due at closing)

Borrower may have to pay certain bona-fide third party fees to open the plan. These bona-fide third party fees generally total between \$400.00 and \$3,000.00. The lender may pay these bona-fide third party fees on your behalf; however, if the Borrower closes the plan within three (3) years from its opening date, the Borrower will be required to reimburse the lender for those bona-fide third party fees as permitted by applicable law. If Borrower asks, Lender will provide Borrower with an itemization of the fees Borrower 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.

TRANSACTION REQUIREMENTS: The minimum credit advance that you can receive is \$20,000.00 for the first advance and \$100.00 for each subsequent advance.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

ADDITIONAL HOME EQUITY PLANS: Please ask us about our other available home equity line of credit plans.

FIXED ANNUAL PERCENTAGE RATE AND VARIABLE RATE FEATURE: A fixed annual percentage rate will be used for up to the first five (5) years of the plan. A fixed **ANNUAL PERCENTAGE RATE** of 5.50% is representative of a fixed rate we have recently offered. The fixed annual percentage rate includes only interest and no other costs. Ask us for the current fixed annual percentage rate.

This plan also has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum payment may change as a result. The annual percentage rate includes only interest and no other costs.

The annual percentage rate for the variable rate portion of the plan 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 10 days before the date of any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account. 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.

RATE CHANGES: The annual percentage rate will not change until the fifth (5th) January 1 after the plan's initial closing date. Thereafter, the annual percentage rate can change every five (5) years on the first day of January. There is no limit on the amount by which the annual percentage rate can change during any one rate adjustment up to the maximum **ANNUAL PERCENTAGE RATE** that can apply; which is 7.0% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.0% at any time during the term of the plan.

MAXIMUM RATE AND PAYMENT EXAMPLES:

If you had an outstanding balance of \$10,000.00, the minimum payment at the **MAXIMUM ANNUAL PERCENTAGE RATE** of 7.0% would be \$66.56. This annual percentage rate could be reached at the time of the 49th payment.