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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, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. 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 interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find 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. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Home Equity Plans

We offer six (6) Home Equity Line of Credit Plans that differ based on the method used to calculate the minimum monthly payment and the loan-to-value ratio (LTV): (1) Interest Only Plan, 70% & Less LTV; (2) Interest Only Plan, 70.01% to 80% LTV; (3) Interest Only Plan, 80.01% to 90% LTV; (4) HomeSource Plan, 70% & Less LTV; (5) HomeSource Plan, 70.01% to 80% LTV; and (6) HomeSource Plan, 80.01% to 90% LTV. Not all applicants may qualify for all Plans.

Minimum Payment Requirements

Interest Only Plans

The Minimum Payment Requirements for all Interest Only Plans are the same. You can obtain credit advances for 120 months (the draw period). During the draw period, payment will be due on a monthly basis. Your minimum monthly payment will be established at the close of each billing cycle at an amount equal to all accrued yet unpaid finance charges.

After the draw period ends, you will no longer be able to obtain credit advances and you must pay your outstanding balance (the repayment period). The length of the repayment period will in no event exceed 120 months. During the repayment period, minimum payments will be established on the first day of the repayment period and any subsequent change in interest rate to the amount necessary to fully amortize your then unpaid balance by the agreement maturity date.

HomeSource Plans

The Minimum Payment Requirements for all HomeSource Plans are the same. You can obtain credit advances for 240 months (the draw period). During the draw period, payment will be due on a monthly basis. Your minimum monthly payment will be established at the close of each billing cycle at an amount equal to 2.00% of the then unpaid principal balance (which payment amount will be rounded up to the nearest \$1.00), subject to the lesser of \$50.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must pay your outstanding balance in full. Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the draw 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 Examples

Interest Only Plans

70% & Less Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 240 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 120 monthly payments of \$39.59, followed by 119 monthly payments of \$104.84 and a final payment of \$105.84.

70.01% - 80% Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 240 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 120 monthly payments of \$41.67, followed by 119 monthly payments of \$106.06 and a final payment of \$107.06.

80.01% - 90% Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 240 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.00%. During that period, you would make 120 monthly payments of \$50.01, followed by 119 monthly payments of \$111.02 and a final payment of \$102.02.

HomeSource Plans

70% & Less Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 141 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 140 monthly payments varying between \$200.00 and \$50.00, and a final payment of \$46.60.

70.01% - 80% Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 143 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 142 monthly payments varying between \$200.00 and \$50.00, and a final payment of \$22.35.

80.01% - 90% Loan-To-Value

If you made only the minimum payments and took no other credit advances, it would take 149 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.00%. During that period, you would make 148 monthly payments varying between \$200.00 and \$50.00, and a final payment of \$37.34.

Fees And Charges

To open a line of credit you must pay us a processing fee of \$150.00*. To open a line of credit, you may also have to pay certain fees to third parties. These fees generally total from \$150.00 to \$750.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

* The \$150.00 fee will be waived for borrowers that obtain an advance of at least \$10,000.00 at the time the account is established.

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

These plans will have a Variable Rate feature. The Annual Percentage Rate (corresponding to the periodic rate) can change as a result. For Interest Only Plans, changes in the rate will affect the amount of your regularly scheduled payments during the draw and the repayment periods. For HomeSource Plans, changes in the rate will affect the number of your regularly scheduled payments during the draw period and/or the amount of your final payment. 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 for balances for purchases and cash advances is the highest prime rate as published in The Wall Street Journal on the first day of each calendar month of each year. The index for balances for balance transfers is the highest prime rate as published in The Wall Street Journal on the day that any Introductory Rate expires, and subsequently, on the first day of each calendar month 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 (for balance transfer balances only) 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 for balances for purchases and cash advances can change on the first day of each calendar month. Your Annual Percentage Rate for balances for balance transfers can change on the day that any introductory Rate expires, and the first day of each calendar month thereafter. There is no limit on the amount by which the interest rate can change during any one-year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** is 3.00%.

Introductory Rate

For the 9 month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** for balance transfers that are obtained on such Date of Agreement will be 0.99%*. Subsequently, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate for balance transfers is discounted; it is not based on the index and margin used for later adjustments.

* This represents an introductory rate that we have used recently.

Maximum Rate And Payment Examples

Interest Only Plans

The following examples apply to all Interest Only Plans. 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 \$150.02. This Annual Percentage Rate could be reached 4th month of the draw period for balances comprised of balance transfers and the 1st month of the draw period for balances comprised of purchases and cash advances.

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 1st month of the repayment period.

HomeSource Plans

The following examples apply to all HomeSource Plans. 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 \$200.00. This Annual Percentage Rate could be reached during the 1st month of the draw period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 cash advance (credit advance) would have changed based on changes in the index since 2004. The index is from The Wall Street Journal and is calculated on the first business day of August 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.

Interest Only Plans

Year	Index	Margin			ANNUAL PERCENTAGE RATE			Payment Period	Minimum Payment		
		(1)	(2)	(3)	(1)	(2)	(3)		(1)	(2)	(3)
2004	4.25	-.025	0.00	1.00	4.00%	4.25%	5.25%	Draw	\$33.34	\$35.42	\$43.75
2005	6.25	-.025	0.00	1.00	6.00%	6.25%	7.25%	Draw	\$50.01	\$52.09	\$60.42
2006	8.25	-.025	0.00	1.00	8.00%	8.25%	9.25%	Draw	\$66.67	\$68.76	\$77.09
2007	8.25	-.025	0.00	1.00	8.00%	8.25%	9.25%	Draw	\$66.67	\$68.76	\$77.09
2008	5.00	-.025	0.00	1.00	4.75%	5.00%	6.00%	Draw	\$39.59	\$41.67	\$50.01
2009	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$25.00	\$27.09	\$35.42
2010	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$25.00	\$27.09	\$35.42
2011	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$25.00	\$27.09	\$35.42
2012	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$25.00	\$27.09	\$35.42
2013	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$25.00	\$27.09	\$35.42
2014	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Repayment	\$96.56	\$97.71	\$102.43
2015	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Repayment	\$96.56	\$97.71	\$102.43
2016	3.50	-.025	0.00	1.00	3.25%	3.50%	4.50%	Repayment	\$97.49	\$98.66	\$103.41
2017	4.25	-.025	0.00	1.00	4.00%	4.25%	5.25%	Repayment	\$100.00	\$101.19	\$106.03
2018	5.00	-.025	0.00	1.00	4.75%	5.00%	6.00%	Repayment	\$102.20	\$103.41	\$108.33

- (1) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 70%.
- (2) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 80%, but more than 70%.
- (3) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 90%, but more than 80%.

HomeSource Plans

Year	Index	Margin			ANNUAL PERCENTAGE RATE			Payment Period	Minimum Payment		
		(1)	(2)	(3)	(1)	(2)	(3)		(1)	(2)	(3)
2003	4.00	-.025	0.00	1.00	3.75%	4.00%	5.00%	Draw	\$200.00	\$200.00	\$200.00
2004	4.25	-.025	0.00	1.00	4.00%	4.25%	5.25%	Draw	\$164.00	\$164.00	\$166.00
2005	6.25	-.025	0.00	1.00	6.00%	6.25%	7.25%	Draw	\$137.00	\$137.00	\$140.00
2006	8.25	-.025	0.00	1.00	8.00%	8.25%	9.25%	Draw	\$116.00	\$117.00	\$121.00
2007	8.25	-.025	0.00	1.00	8.00%	8.25%	9.25%	Draw	\$99.00	\$100.00	\$104.00
2008	5.00	-.025	0.00	1.00	4.75%	5.00%	6.00%	Draw	\$81.00	\$82.00	\$87.00
2009	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$66.00	\$67.00	\$71.00
2010	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$53.00	\$54.00	\$58.00
2011	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾
2012	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾
2013	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾
2014	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾	\$50.00 ⁽⁴⁾
2015	3.25	-.025	0.00	1.00	3.00%	3.25%	4.25%	Draw	\$0.00	\$0.00	\$50.00 ⁽⁴⁾
2016	3.50	-.025	0.00	1.00	3.25%	3.50%	4.50%	Draw	\$0.00	\$0.00	\$0.00
2017	4.25	-.025	0.00	1.00	4.00%	4.25%	5.25%	Draw	\$0.00	\$0.00	\$0.00

- (1) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 70%.
- (2) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 80%, but more than 70%.
- (3) This represents the Margin (which we have recently used), Annual Percentage Rate and Minimum Payments for our Lines of Credit with a loan-to-value equal to or less than 90%, but more than 80%.
- (4) This represents the \$50.00 minimum payment.