

## Line-of-Credit Pre-Disclosure

### IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End Credit Plan. 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 any of 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 paid 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:

##### Termination and Acceleration

We can terminate the Home Equity Open-End Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

##### Suspension or Reduction

We can refuse to make additional extensions of credit or reduce your credit line if:

- (a) any reasons listed above;
- (c) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (d) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (e) you are in default of a material obligation of this Plan;
- (f) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (g) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (h) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.

##### Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements:** Your line of credit is a revolving account and there is no time limit on the period during which you can take advances under the Program, unless we discontinue the program or terminate your Agreement under applicable law. You will be required to make monthly payments equal to 1.0% of the principal balance outstanding or \$10.00, whichever is greater, plus any amounts past due and any amount that you are over your credit limit.

**Minimum Payment Example:** If you made only the minimum monthly payment and took no other credit advances, it would take 42 years and 4 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 507 monthly payments varying between \$100.00 and \$10.00, with a final payment of \$5.15.

**Fees and Charges:** To open and maintain an account, you must pay the following fees to us:

*Late Charges:* We may charge 10% of the payment due if your payment is late 10 days or more with a minimum of \$10.00 and a maximum of \$25.00. *For Indiana Residents Only:* If a payment is late by 10 days or more, you will be charged \$18.50. This amount is subject to change as provided in Indiana Code sec. 24-4.5-1-106.

*Returned Payment Fee:* \$27.00 if your payment is returned for any reason.

You must also pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total \$0-1,500.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

**Property Insurance:** You must carry insurance on the property that secures this Agreement. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

**Access to the Line of Credit:** You may obtain advances under this Line of Credit by mail, by telephone, in person, by Visa credit card, by check, or by accessing my loan at the website listed below.

**Transaction Requirements:** There is no minimum requirement for initial advances or subsequent advances.

**Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges for this Program.

**Promotional Rate:** An initial discounted rate may be available under this Plan. Ask us for more information regarding my initial discount.

**Refundability of Fees:** If you decide not to enter into this Agreement within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

**Variable Rate Feature:** This Agreement has a variable rate feature, and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' section of the Wall Street Journal. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin to the value of the index, and then round up to the nearest 0.125%. Your margin will be based on your creditworthiness and Loan-to-Value (LTV) Ratio.

Ask us for the current index value, margins and **ANNUAL PERCENTAGE RATES**. After you open an account, rate information will be provided on periodic statements that we send you.

**Rate Changes:** If the Index changes, the **ANNUAL PERCENTAGE RATE** can change quarterly on the quarterly anniversary date from the date the plan is opened. The rate can not increase or decrease more than 2 percentage points in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 14.75%. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the Agreement is 3.50%.

**Maximum Rate and Payment Example:** If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 14.75% would be \$100.00. This rate could be reached in the 49th month (4 years, 1 month) following an initial hold of 3 months.

**Prepayment:** You may prepay all or any amounts owing under this Agreement without penalty.

**Historical Example:** The following table shows how the 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 first Monday in March. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2006	7.50	0.00	7.50 (2)	\$100.00
2007	8.25	0.00	8.25	\$95.59
2008	6.00	0.00	6.25 (3)	\$92.07
2009	3.25	0.00	4.25 (3)	\$86.91
2010	3.25	0.00	3.50 (4)	\$80.41
2011	3.25	0.00	3.50 (4)	\$73.84
2012	3.25	0.00	3.50 (4)	\$67.80
2013	3.25	0.00	3.50 (4)	\$62.25
2014	3.25	0.00	3.50 (4)	\$57.16
2015	3.25	0.00	3.50 (4)	\$52.49
2016	3.50	0.00	3.50	\$48.20
2017	3.75	0.00	3.75	\$44.26
2018	4.50	0.00	4.50	\$40.74
2019	5.50	0.00	5.50	\$37.79
2020	4.75	0.00	4.75	\$35.40

1. This is a margin we have used recently; your margin may be different and will be based on creditworthiness and LTV Ratio.
2. There may be a discounted rate for a period of time within the first year.
3. This rate reflects a 2.00 percentage point annual cap on decreases.
4. This rate reflects a lifetime floor of 3.50%.