THE FIRST NATIONAL BANK OF ELMER
Banking Simplified

Please complete the attached Home Equity Line of Credit application and return it with the following items:

<u>If you are an EMPLOYED WAGE EARNER / COMMISSIONED:</u>

- Most recent paystubs showing last 30 days YTD income
- Most recent years W-2s

<u>If you are SELF-EMPLOYED</u>

- Most recent 2 consecutive years Personal Federal tax returns (with all schedules)
- Most recent 2 consecutive years W-2s (If Applicable)
- If Ownership Is 25% or Greater: All items indicated above AND most recent 2 consecutive years Business Federal tax returns (with all schedules), Signed & Dated, AND YTD profit & loss statement and balance sheet

<u>If you receive SUPPLEMENTAL or RETIREMENT INCOME:</u>

- For Social Security Income: Social Security Income Award Letter
- For Pension Income: Pension Award Letter
- For Investment Income: Most recent investment statements
- For Rental Income: Current lease agreement for each unit

<u>Required Property Information</u>

- Homeowners Insurance declaration page, showing premium.
- If Taxes and Insurance Are Currently Being Escrowed: Most recent mortgage statement
- If Property Is in a Flood Zone: Flood Insurance declaration
- If Property Is a Condominium: Master insurance policy for condominium association

<u>Additional Information, if applicable and may be required during the review process</u>

- 30-day Payoff Statement for All Required Payoffs

We would be happy to make photocopies of any of the above requested original items for you, while you wait, and return the originals to you. If you have any questions, please do not hesitate to contact us.

Kevin Cunningham 856-358-7000 ext. 0523 – NMLS 710035
The First National Bank of Elmer – NMLS 410762

www.ElmerBank.com
6 South Main Street, Elmer, NJ 08318
Phone: 856-358-7000 x0500 ⬧ Fax: 856-358-7145

Home Equity Line of Credit Application

To assist the government in fighting the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you, which may include your driver's license or other identifying documents.

What type of account are you applying for? (check appropriate box)

☐ INDIVIDUAL: Own name, relying on your own income or assets, and not the income or assets of another person as the basis for repayment of the loan requested. Complete all sections, except those that apply to co-applicants.

☐ JOINT: If you are applying for a loan with another person, complete all sections, including all information in the co-application sections.

Yes, we intend to apply for joint credit:

Applicant ______________________ Co-Applicant ______________________

Loan Product

Amount requested $	Purpose of Loan

APPLICANT INFORMATION

APPLICANT NAME				CO-APPLICANT NAME			
Home Address City, State, Zip				Home Address City, State, Zip			
Date of Birth	Social Security #			Date of Birth	Social Security #		
Marital Status: ☐ Married ☐ Separated ☐ Unmarried – (Single, Divorced, Widowed)	Residency Status: ☐ U.S. Citizen ☐ Permanent Resident Alien ☐ Non-Perm Resident Alien ☐ Other			Marital Status: ☐ Married ☐ Separated ☐ Unmarried – (Single, Divorced, Widowed)	Residency Status: ☐ U.S. Citizen ☐ Permanent Resident Alien ☐ Non-Perm Resident Alien ☐ Other		
Home Phone #	Cell Phone #			Home Phone #	Cell Phone #		
Email Address				Email Address			
Current Employer				Current Employer			
Address of Employer				Address of Employer			
# Years	Title/Position			# Years	Title/Position		
Business Phone #				Business Phone #			
☐ Full Time ☐ Part Time	Gross Salary $	☐ Week ☐ Month ☐ Year		☐ Full Time ☐ Part Time	Gross Salary $	☐ Week ☐ Month ☐ Year	
Other Income* $		☐ Week ☐ Month ☐ Year		Other Income* $		☐ Week ☐ Month ☐ Year	
Source of Other Income*				Source of Other Income*			
Previous Employer	Title/Position			Previous Employer	Title/Position		
Business Phone #	# Years			Business Phone #	# Years		
Driver's License Number and State	Issue Date	Exp. Date		Driver's License Number and State	Issue Date	Exp. Date	
Name of Nearest Relative	Relationship	Phone Number		Name of Nearest Relative	Relationship	Phone Number	

***Alimony, Child Support, Separate Maintenance Income or other income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.**

Collateral (Subject Property)

Property Street Address, City, State, Zip					
Estimated Value $	Type: ☐ 3-4 Family ☐ 1 Family ☐ Condo/Town ☐ 2 Family ☐ Other		Type: ☐ Second Home ☐ Primary Residence ☐ Investment/Other		
Year Built	Year Purchased	Total Rooms	Total Square Feet	Garage ☐ Yes ☐ No	
Number of Bedrooms	Number of Baths	Family Room ☐ Yes ☐ No	Full Basement ☐ Yes ☐ No	Central Air ☐ Yes ☐ No	In-Ground Pool ☐ Yes ☐ No

Financial Information

Primary Residence

☐ Own ☐ Rent	Mortgage Holder/Landlord	Mortgage Balance $	Monthly Payment $	Annual Taxes/Insurance (if not included in mortgage) $

Other Real Estate Owned (if more than four properties, please attach as a separate sheet)

☐ Second Home ☐ Investment Property	Mortgage Holder	Gross Monthly Rental Income $	Mortgage Balance $	Monthly Payment $	Annual Taxes/Insurance (if not included in mortgage) $
☐ Second Home ☐ Investment Property	Mortgage Holder	Gross Monthly Rental Income $	Mortgage Balance $	Monthly Payment $	Annual Taxes/Insurance (if not included in mortgage) $
☐ Second Home ☐ Investment Property	Mortgage Holder	Gross Monthly Rental Income $	Mortgage Balance $	Monthly Payment $	Annual Taxes/Insurance (if not included in mortgage) $
☐ Second Home ☐ Investment Property	Mortgage Holder	Gross Monthly Rental Income $	Mortgage Balance $	Monthly Payment $	Annual Taxes/Insurance (if not included in mortgage) $

Creditors (include: charge accounts, credit cards, installment loans, mortgages, rent, etc.)

Creditor 1	Balance $	Monthly Payment $
Creditor 2	Balance $	Monthly Payment $
Creditor 3	Balance $	Monthly Payment $
Creditor 4	Balance $	Monthly Payment $

Checking/Savings

Checking Institution	Branch Location	Account #
Savings Institution	Branch Location	Account #

Payoff Information

Lender 1	Account #	Estimated Balance $
Lender 2	Account #	Estimated Balance $
Lender 3	Account #	Estimated Balance $
Lender 4	Account #	Estimated Balance $

Automatic Payment Deduction

☐ I would like my monthly payment deducted from a checking account to be established at The First National Bank of Elmer.

Declarations

(Please provide details on an additional page to any questions with a "Yes" response.)

Declaration	Applicant	Co-Applicant
Have you had property foreclosed upon or given title or deed in lieu thereof in the past seven years?	☐ Yes ☐ No	☐ Yes ☐ No
Are you obligated to pay alimony, child support or separate maintenance?	☐ Yes ☐ No	☐ Yes ☐ No
Are you party to any lawsuit or subject to outstanding judgments?	☐ Yes ☐ No	☐ Yes ☐ No
Are you party to taxes or credit obligations past due?	☐ Yes ☐ No	☐ Yes ☐ No
Have you ever filed for personal bankruptcy or served as an officer in a company that has filed bankruptcy?	☐ Yes ☐ No	☐ Yes ☐ No
Are you presently under indictment or probation or parole, or ever been convicted for any criminal offense other than a minor motor vehicle violation?	☐ Yes ☐ No	☐ Yes ☐ No
Did you ever have credit in any other name?	☐ Yes ☐ No	☐ Yes ☐ No

Home Equity Line of Credit Application

Representations and Warranties

The information contained in this statement is provided to induce you to extend credit to the undersigned. The undersigned acknowledge and understand that you are relying on the information provided herein in deciding to grant credit. Each of the undersigned represents warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify you immediately and in writing of any changes in name, address, or employment and of any material adverse, change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligation to you In the absence of such notice or a new and full written statement, this should be considered a continuing statement and substantially correct. If the undersigned fail to notify you a required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, you may declare the indebtedness of the undersigned, immediately due and payable. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein and to determine the credit-worthiness of the undersigned. The undersigned authorize any person or consumer reporting agency to give you any information it may have on the undersigned. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned.

Loan Application Disclosures

If your application is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact The First National Bank of Elmer Home Equity Lending Department at 6 South Main Street, Elmer, New Jersey, 08318 within 60 days from the date you are notified of our decision. We will send you a written statement of reason for the denial within 30 days of receiving your request for the statement.

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

In case of errors or questions about your bill: If you think your bill is wrong or if you need more information about a transaction on your bill, write us, on a separate sheet, at P.O. Box 980, Elmer, NJ 08318 as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information: your name and account number; the dollar amount of the suspected error; describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you questioned.

This statement represents an accounting agreement between the bank and you. If there is an error on it, call it to the bank's attention promptly in writing. Failure to do so within three months from the date of this statement may bar your right to have the error corrected. NOTICE: You may act under State Law provisions only after the time period under Federal Law has expired, however, doing so may result in the loss of important rights that could be preserved by acting more promptly under Federal Law.

If an appraisal is used in connection with your loan application, you have the right to a copy of the appraisal. For a loan secured by a first lien; a free copy of the appraisal/evaluation will be sent to you. For a loan secured by a junior lien; a copy of your appraisal/evaluation will be provided upon your request. If you wish a copy, please write to us at 6 South Main Street, Elmer, New Jersey, 08318. We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.

Equal Credit Opportunity Act Notice

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Office of the Comptroller of the Currency, Customer Assistance Group, 1301 McKinney Street, Suite 3450, Houston, TX 77010-9050, 1-800-613-6743.

Signing

The undersigned applies for the loan indicated in this application to be secured by a mortgage or deed of trust on the property described herein, and represents that the property will not be used for any illegal or restricted purpose, and that all statements made in this application and the attachments, are true and complete and are made for the purpose of obtaining the loan. Verification may be obtained by any source named in this application and/or in attachments. I/we fully understand that it is a federal crime punishable by fine or imprisonment, or both to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1014.

I acknowledge that I have received the following disclosures:

1. When Your Home is on the Line – What You Should Know About Home Equity Lines of Credit
2. Important Terms of Our Home Equity Line of Credit
3. The First National Bank of Elmer Privacy Policy
4. CFPB Housing Counselors Near You

Signature Date Signature Date

WHAT YOU SHOULD KNOW ABOUT

Home Equity Lines of Credit (HELOC)

Borrowing from the value of your home

Consumer Financial Protection Bureau

An official publication of the U.S. government

How to use the booklet

When you and your lender discuss home equity lines of credit, often referred to as HELOCs, you receive a copy of this booklet. It helps you explore and understand your options when borrowing against the equity in your home.

You can find more information from the Consumer Financial Protection Bureau (CFPB) about home loans at cfpb.gov/mortgages. You'll also find other mortgage-related CFPB resources, facts, and tools to help you take control of your borrowing options.

About the CFPB

The CFPB is a 21st century agency that implements and enforces federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

This pamphlet, titled What you should know about home equity lines of credit, was created to comply with federal law pursuant to 15 U.S.C. 1637a(e) and 12 CFR 1026.40(e).

How can this booklet help you?

This booklet can help you decide whether home equity line of credit is the right choice for you, and help you shop for the best available option.

A home equity line of credit (HELOC) is a loan that allows you to borrow, spend, and repay as you go, using your home as collateral.

Typically, you can borrow up to a specified percentage of your equity. Equity is the value of your home minus the amount you owe on your mortgage.

Consider a HELOC if you are confident you can keep up with the loan payments. If you fall behind or can't repay the loan on schedule, you could lose your home.

After you finish this booklet:

- You'll understand the effect of borrowing against your home
- You'll think through your borrowing and financing options, besides a HELOC
- You'll see how to shop for your best HELOC offer
- You'll see what to do if the economy or your situation changes

Compare a HELOC to other money sources

Before you decide to take out a HELOC, it might make sense to consider other options that might be available to you, like the ones below.

TIP

Renting your home out to other people may be prohibited under the terms of your line of credit.

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
HELOC *You borrow against the equity in your home*	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Variable. typically	Yes	Continue repaying and borrowing for several years without additional approvals or paperwork	Repayment amount varies; repayment is often required when you sell your home
SECOND MORTGAGE OR HOME EQUITY LOAN *You borrow against the equity in your home*	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Fixed	Yes	Equal payments that pay off the entire loan	If you need more money, you need to apply for a new loan; repayment is often required when you sell your home
CASH-OUT REFINANCE *You replace your existing mortgage with a bigger mortgage and take the difference in cash*	Generally a percentage of the appraised value of your home; the amount of your existing loan plus the amount you want to cash out	Variable or fixed	Yes	Continue to make just one mortgage payment	Closing costs are generally higher; it may take longer to pay off your mortgage; interest rate may be higher than your current mortgage
PERSONAL LINE OF CREDIT *You borrow based on your credit, without using your home as collateral*	Up to your credit limit, as determined by the lender	Variable, typically	No	Continue repaying and borrowing for several years without additional approvals or paperwork	Solid credit is required; you may need to pay the entire amount due once a year; higher interest rate than a loan that uses your home as collateral

Compare a HELOC to other money sources

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
RETIREMENT PLAN LOAN *You borrow from your retirement savings in a 401(k) or similar plan through your current employer*	Generally, up to 50% of your vested balance or $50,000, whichever is less	Fixed	No	Repay through paycheck deductions; paperwork required but no credit check and no impact on your credit score	If you leave or lose your job, repay the whole amount at that time or pay taxes and penalties; spouse may need to consent
HOME EQUITY CONVERSION MORTGAGE (HECM) *You must be age 62 or older, and you borrow against the equity in your home*	Depends on your age, the interest rate on your loan, and the value of your home	Fixed or variable	Yes	You don't make monthly loan payments—instead, you typically repay the loan when you move out, or your survivors repay it after you die	The amount you owe grows over time; you might not have any value left in your home if you want to leave it to your heirs
CREDIT CARD *You borrow money from the credit card company and repay as you go*	Up to the amount of your credit limit, as determined by the credit card company	Fixed or variable	No	No minimum purchase; consumer protections in the case of fraud or lost or stolen card	Higher interest rate than a loan that uses your home as collateral
FRIENDS AND FAMILY *You borrow money from someone you are close to*	Agreed on by the borrower and lender	Variable, fixed or other	No	Reduced waiting time, fees, and paperwork compared to a formal loan	Forgiven loans and unreported or forgiven interest can complicate taxes, especially for large loans; can jeopardize important personal relationships if something goes wrong

How HELOCs work

PREPARE FOR UP-FRONT COSTS

Some lenders waive some or all of the up-front costs for a HELOC. Others may charge fees. For example, you might get charged:

- A fee for a property appraisal, which is a formal estimate of the value of your home
- An application fee, which might not be refunded if you are turned down
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes

PULL MONEY FROM YOUR LINE OF CREDIT

Once approved for a HELOC, you can generally spend up to your credit limit whenever you want. When your line of credit is open for spending, you are in the you are in the borrowing period, also called the draw period. Typically, you use special checks or a credit card to draw on your line. Some plans require you to borrow a minimum amount each time (for example, $300) or keep a minimum amount outstanding. Some plans require you to take an initial amount when the credit line is set up.

MAKE REPAYMENTS DURING THE "DRAW PERIOD"

Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. The portion of your payment that goes toward principal typically does not repay the principal by the end of the term. Other plans may allow payment of the interest only, during the draw period, which means that you pay nothing toward the principal.

If your plan has a variable interest rate, your monthly payments may change even if you don't draw more money.

ENTER THE "REPAYMENT PERIOD"

Whatever your payment arrangements during the draw period—whether you pay some, a little, or none of the principal amount of the loan—when the draw period ends you enter a repayment period. Your lender may set a schedule so that you repay the full amount, often over ten or 15 years.

Or, you may have to pay the entire balance owed, all at once, which might be a large amount called a balloon payment. You must be prepared to make this balloon payment by refinancing it with the lender, getting a loan from another lender, or some other means. If you are unable to pay the balloon payment in full, you could lose your home.

RENEW OR CLOSE OUT THE LINE OF CREDIT

At the end of the repayment period, your lender might encourage you to leave the line of credit open. This way you don't have to go through the cost and expense of a new loan, if you expect to borrow again. Be sure you understand if annual maintenance fees or other fees apply, even if you are not actively using the credit line.

TIP

If you sell your home, you are generally required to pay off your HELOC in full immediately. If you are likely to sell your home in the near future, consider whether or not to pay the up-front costs of setting up a line of credit.

GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
Initiating the HELOC				
Credit limit	$			
First transaction	$			
Minimum transaction	$			
Minimum balance	$			
Fixed annual percentage rate	?			
Variable annual percentage rate	?			
» Index used and current value				
» Amount of margin				
» Frequency of rate adjustments				
» Amount/length of discount rate (if any)				
» Interest rate cap and floor				
Length of plan				
» Draw period				
» Repayment period				
Initial fees				
» Appraisal fee	$			
» Application fee	$			

GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
» Up-front charges, including points	$			
» Early termination fee	$			
» Closing costs				
During the draw period				
» Interest and principal payments	$			
» Interest-only payments?	$			
» Fully amortizing payments	$			
» Annual fee (if applicable)	$			
» Transaction fee (if applicable)	$			
» Inactivity fee	$			
» Prepayment and other penalty fees	$			
During the repayment period				
» Penalty for overpayments?				
» Fully amortizing payment amount?				
» Balloon repayment of full balance owed?				
» Renewal available?				
» Refinancing of balance by lender?				
» Conversion to fixed-term loan?				

My best HELOC offer is: ____________

How variable interest rates work

Home equity lines of credit typically involve variable rather than fixed interest rates.

A variable interest rate generally has two parts: the index and the margin.

An index is a measure of interest rates generally that reflects trends in the overall economy Different lenders use different indexes in their loans. Common indexes include the U.S. prime rate and the Constant Maturity Treasury (CMT) rate. Talk with your lender to find out more about the index they use.

The margin is an extra percentage that the lender adds to the index.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an introductory or teaser rate that is unusually low for a short period, such as six months.

Rights and responsibilities

Lenders are required to disclose the terms and costs of their home equity lines of credit. They need to tell you:

- Annual percentage rate (APR)
- Information about variable rates
- Payment terms
- Requirements on transactions, such as minimum draw amounts and number of draws allowed per year

- Annual fees
- Miscellaneous charges

You usually get these disclosures when you receive a loan application, and you get additional disclosures before the line of credit is opened. In general, the lender cannot charge a nonrefundable fee as part of your application until three days after you have received the disclosures.

If the lender changes the terms before the loan is made, you can decide not to go forward with it, and the lender must return all fees. There is one exception: the variable interest rate might change, and in that case if you decide not to go ahead with the loan, your fees are not refunded.

Lenders must give you a list of HUD-approved housing counselors in your area. You can talk to counselor about how HELOCs work and get free or low-cost help with budgeting and money management.

Right to cancel (also called right to rescind)
If you change your mind for any reason, under federal law, you can cancel the credit line in the first three days. Notify the lender in writing within the first three days after the account was opened. The lender must then cancel the loan and return the fees you paid, including application and appraisal fees.

TIP

Some HELOCs let you convert some of your balance to a fixed interest rate. The fixed interest rate is typically higher than the variable rate, but it means more predictable payments.

If something changes during the course of the loan

HELOCs generally permit the lender to freeze or reduce your credit line if the value of your home falls or if they see a change for the worse in your financial situation. If this happens, you can:

- **Talk with your lender.** Find out the reason for the freeze or reduction. You might need to check your credit reports for errors that might have caused a downgrade in your credit. Or, you might need to talk with your lender about a new appraisal on your home and make sure the lender agrees to accept a new appraisal as valid.
- **Shop for another line of credit.** If another lender offers you a line of credit, you may be able to use that to pay off your original line of credit. Application fees and other fees may apply for the new loan.

WELL DONE!

For most people, a home is their most valuable asset. A HELOC can help you make the most of this asset, when you understand the ins and outs and know what to expect.

In this booklet:

ASK YOURSELF

Have I considered other sources of money and loans, besides a HELOC?

Have I shopped around for HELOC features and fees?

Am I comfortable with the worst-case scenario, where I could lose my home?

ONLINE TOOLS

CFPB website
cfpb.gov

Answers to common questions
cfpb.gov/askcfpb

Tools and resources for home buyers
cfpb.gov/owning-a-home

Talk to a HUD-approved housing counselor
cfpb.gov/find-a-housing-counselor

Submit a complaint
cfpb.gov/complaint

Last updated 08/22

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When Your Home is on The Line

What You Should Know About Home Equity Lines of Credit

Table of Contents

THE FIRST NATIONAL BANK OF ELMER
Banking Simplified

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When Your Home is on The Line

What You Should Know About Home Equity Lines of Credit

Introduction:

More and more lenders are offering home equity lines of credit. By using the equity in your home, you may qualify for a sizable amount of credit, available for use when and how you please, at an interest rate that is relatively low. Furthermore, under the tax law, depending on your specific situation, you may be allowed to deduct the interest because the debt is secured by your home.

If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before deciding, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risk. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

Home Equity Plan Checklist:

Ask your Lender to help you fill out this worksheet.

Basic Features for Comparison	Plan A	Plan B
Fixed Annual Percentage Rate	%	%
Variable Annual Percentage Rate	%	%
• Index Used and Current Value	%	%
• Amount of Margin		
• Frequency of Rate Adjustments		
• Amount/Length of Discount (if any)		
• Interest Rate Cap and Floor		
Length of Plan		
Draw Period		
Repayment Period		
Initial Fees		
Appraisal Fee		
Application Fee		
Upfront Charges, including Points		
Closing Costs		
Repayment Terms		
During the Draw Period		
Interest and Principal Payments		
Fully Amortizing Payments		
When the Draw Period Ends		
Balloon Payments?		
Renewal Available?		
Refinancing of Balance by Lender?		

What is a Home Equity Line of Credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because a home often is a consumer's most valuable asset, many homeowners use home equity credit lines only for major items such as education, home improvements, or medical bills and choose not to use them for day-to-day expenses.

With a home equity line of credit, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (i.e., 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

Appraisal of Home	$100,000
Percentage	X 75%
Percentage of Appraised Value	=$ 75,000
Less Mortgage Debt	-$ 40,000
Potential Line of Credit	$ 35,000

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest), by looking at your income, debts, and other financial obligations, as well as your credit history.

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When Your Home is on The Line

What You Should Know About Home Equity Lines of Credit

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period", you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line.

There may be other limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, $300) or keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember, though, the APR for a home equity line is based on the interest rate alone and will not reflect the closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

Various interest rates:

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury Bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time, plus a "margin", such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporary discounted interest rate for home equity lines; an "introductory" rate that is unusually low for a short period, such as six months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or let you convert all or a portion of line to a fixed-term installation loan.

Costs of establishing and maintaining a home equity line:

Many of the costs of setting up a home equity line of credit are like those you pay when you buy a home. For example,

- A fee for a property appraisal to estimate the value of your home
- An application fee, which may not be refunded if you are turned down for credit
- Up-front charges, such as one or more points (one-point equals 1 percent of the credit limit)
- Closing costs, including fees for attorneys, title search, and mortgage preparation and filing; property and title insurance; and taxes

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. If you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all the closing costs.

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When Your Home is on The Line

What You Should Know About Home Equity Lines of Credit

How will you repay your home equity plan?

Before entering a plan, consider how you will pay back the money you borrow. Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But, unlike with typical installment loan agreements, the portion of your payment that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of i*nterest only* during the life of the plan, which means that you pay nothing toward the principal. If you borrow $10,000, you will owe that amount when the payment plan ends.

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. However, some lenders may require you to pay special fees and penalties if you choose to pay more, so check with your lender. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan – whether you pay some, a little, or none of the principal amount of the loan – when the plan ends, you may have to pay the entire balance owed, all at once. You must be prepared to make this "balloon payment" by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow $10,000 under a plan that calls for interest-only payments. At a 10% interest rate, your monthly payments would be $83. If the rate rises over time to 15%, your monthly payments will increase to $125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments will increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to sell your home soon, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also, keep in mind that renting your home may be prohibited under the terms of your agreement.

Lines of credit vs. traditional second mortgage loans:

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money, repayable over a fixed period. In most cases, the payment schedule calls for equal payments that will pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan considers the interest rate charged plus points and other finance charges.
- The APR for a home equity line of credit is based on a periodic interest rate alone. If does not include points or other charges.

Disclosures from lenders:

The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And, in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term, other than a variable-rate feature, changes before the plan is opened, the lender must return all fees if you decide not to enter the plan because of the change. Lenders are also required to provide you with a list of homeownership counseling organizations in your area.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you three days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the three-day period. The lender must then cancel its security interest in your home and return all fees, including any application and appraisal fees, paid to open the account.

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The Home Ownership and Equity Protection Act of 1994 (HOEPA) addresses certain unfair practices and establishes requirements for certain loans with high rates and fees, including certain additional disclosures. HOEPA now covers some HELOCs. You can find out more information by contacting the CFPC at the website address and phone number listed in the Contact Information appendix below.

What if the lender freezes or reduces your line of credit:

Plans generally permit lenders to freeze or reduce a credit line if the value of the home "declines significantly" or, when the lender "reasonably believes" that you will be unable to make your payments due to a "material change" in your financial circumstances. If this happens, you may:

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a "material change" in your financial circumstances. You may want to get copies of your credit reports (go to the CFPB's website at consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html for information about how to get free copies of your credit reports) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.

- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. If another lender is willing to offer you a line of credit, you may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

Glossary:

Annual membership or maintenance fee. An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

Annual membership or maintenance fee. An annual charge for access to a financial product such as a line of credit, credit card, or account. The

Annual percentage rate (APR). The cost of credit, expressed as a yearly rate. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreement.

Balloon payment. A large extra payment that may be charged at the end of a mortgage loan or lease.

Cap (interest rate). A limit on the amount that your interest rate can increase. Two types of interest rate caps exist. *Periodic adjustment caps* limit the interest rate increase from one adjustment period to the next. *Lifetime caps* limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

Closing or settlement costs. Fees paid when you close (or settle) a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorney's fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or range.

Credit limit. The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.

Equity. The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.

Index. The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. *See also* Selected Index Rates for ARMs over an 11-year period (consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf) for examples of common indexes that have changed in the past.

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Interest rate. The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual rate.

Margin. The number of percentage points the lender adds to the index rate to calculate ARM interest rate at each adjustment.

Minimum payment. The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.

Points (also called discount points). One point is equal to 1 percent of the principal amount of a mortgage loan. For example, if a mortgage is $200,000, one-point equals $2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller, or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.

Security interest. If stated in your credit agreement, a creditor, lessor, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement.

Transaction fee. Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.

Variable rate. An interest rate that change periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

More Information

For more information about mortgages, including home equity lines of credit, visit consumerfinance.gov/mortgage. For answers to questions about mortgages and other financial topics, visit consumerfinance.gov/askcfpb. You may also visit the CFPB's website at consumerfinance.gov/owning-a-home to access interactive tools and resources for mortgage shoppers.

Housing counselors can be very helpful, especially for first-time home buyers or if you're having trouble paying your mortgage. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search for HUD-approved housing counseling agencies in your area on the CFPB's website at consumerfinance.gov/find-a-housing-counselor or by calling HUD's interactive toll-free number at 1-800-569-4287.

The company that collects your mortgage payment is your loan servicer. This may not be the same company y as your lender. If you have concerns about how your loan is being serviced or another aspect of your mortgage, you may wish to submit a complaint to the CFPB at consumerfinance.gov/complain or by calling 1-855-411-CFPB (2372).

When you submit a complain to the CFPB, they will forward your complaint to the company and work to get a response. Companies have 15 days to respond to you and the CFPB. You can review the company's response and give feedback to the CFPB.

Contact Information

For additional information or to submit a complaint, you can contact the CFPB or one of the other federal agencies listed below, depending on the type of institution. If you are not sure which agency to contact, you can submit a complaint to the CFPB and if the CFPB determines that another agency would be better able to assist you, they will refer your complaint to that agency and let you know.

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Regulatory Agency	Regulated Entities	Contact Information
Consumer Financial Protection Bureau (CFPB) P.O. Box 4503 Iowa City, IA 52244	Insured depository institutions and credit unions with assets greater than $10 billion (and their affiliates), and non-bank providers of consumer financial products and services, including mortgages, credit cards, debt collection, consumer reports, prepaid cards, private education loan, and payday lending.	855-411-CFPB (2372) consumerfinance.gov consumerfinance.gov/compliant
Board of Governors of the Federal Reserve System (FRB) Consumer Help P.O. Box 1200 Minneapolis, MN 55480	Federally insurance state-chartered bank members of the Federal Reserve System	888-851-1920 Federalreserveconsumerhelp.gov
Office of the Comptroller of the Currency (OCC) Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010	National banks and federally charged savings banks/associations	800-613-6743 occ.treas.gov helpwithmybank.gov
Federal Deposit Insurance Corporation (FDIC) Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64103	Federally insurance state-chartered banks that are not members of the Federal Reserve System	877-ASK-FDIC or 877-275-3342 fdic.gov fdic.gov/consumers
Federal Housing Finance Agency (FHFA) Consumer Communications Center 400 7th Street S.W. Washington, DC 20024	Fannie Mae, Freddie Mac, and the Federal Home Loan Banks	Consumer Helpline 202-649-3811 fhfa.gov
National Credit Union Administration (NCUA) Consumer Assistance 1775 Duke Street Alexandria, VA 22314	Federally chartered credit unions	800-755-1030 ncua.gov mycreditunion.gov
Federal Trade Commission (FTC) Consumer Response Center 600 Pennsylvania Avenue N.W. Washington, DC 20581	Finance companies, retail stores, auto dealers, mortgage companies and other lenders, and credit bureaus	877-FTC-HELP or 877-382-4357 ftc.gov ftc.gov/bep
Securities and Exchange Commission (SEC) Complaint Center 100 F. Street N.E. Washington, DC 20581	Brokerage firms, mutual fund companies, and investment advisers	202-551-6551 sec.gov
Farm Credit Administration Office of Congressional and Public Affairs 1501 Farm Credit Drive McLean, VA 22102	Agricultural lenders	703-883-4056 fca.gov
Small Business Administration (SBA) Consumer Affairs 409 3rd Street S.W. Washington, DC 20416	Small business lenders	800-U-ASK-SBA or 800-827-5722 sba.gov
Commodity Futures Trading Commission (CFTC) 1155 21st Street N.W. Washington, DC 20581	Commodity brokers, commodity trading advisors, commodity polls, and introducing brokers	866-366-2382 cftc.gov/consumer-protection
U.S. Department of Justice (DOJ) Civil Rights Division 950 Pennsylvania Avenue N.W. Housing and Civil Enforcement Section Washington, DC 20530	Fair lending and housing issues	202-514-4713 To report an incident of housing discrimination: 800-896-7743 fairhousing@usdoj.gov
Department of Housing and Urban Development (HUD) Office of Fair Housing/Equal Opportunity 451 7th Street S.W. Washington, DC 20410	Fair lending and housing issues	800-669-9777 hud.gov/complaints

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Important Terms of our FNBE
Home Equity Line of Credit Application Early Disclosure

This disclosure contains important information about our FNBE HELOC (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

Availability of Terms: All the terms of the Plan described herein 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: Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees if any of the following happens:

(a) You commit fraud or material misrepresentations at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.

(b) You do not meet the repayment terms of the Plan.

(c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction: In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

(a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

(b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.

(c) You are in default under any material obligation of the Plan. We consider all your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).

(d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.

(e) 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 limit

(f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

(g) The maximum annual percentage rate under the Plan is reached.

Change in Terms: We may make changes to the terms of the Plan if you agree to the change in writing at that time, the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

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Fees and Charges: To open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
NSF Handling Fee	$30.00	At the time a payment is returned to us for non-sufficient funds
Stop Payment Fee	$15.00	At the time you request a Stop Payment
Overlimit Charge	$25.00	At the time your Credit Line balance exceeds your credit limit

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These third-party fees general total between $502.00 and $1,040.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Recording	$80.00 - $250.00	At Loan Closing
Title Insurance (if needed)	$5.25 per $1,000 borrowed	At Loan Closing
Property Search	$40.00 - $80.00	At Loan Closing
Professional Appraisal (if needed)	$0.00 - $475.00	At Loan Closing
Credit Report	$28.00 - $53.00	At Loan Closing
Flood Search	$9.50	At Loan Closing

Property Insurance: You must carry insurance on the property that secures the Plan.

Minimum Payment Requirements: You can obtain advances of credit during the following period: through the full life of the line (the "Draw Period"). Your regular payment will be based on a percentage of your outstanding balance, including principal and unpaid interest, plus all accrued FINANCE CHARGES as shown below or $100.00, whichever is greater. Your payments will be due monthly.

Range of Balances	Number of Payments	Regular Payment Calculation
All Balances	180	0.556% of your outstanding balance, plus all accrued FINANCE CHARGES

Your "Minimum Payment" will be the regular payment, plus any amount past due and all other charges. The Minimum Payment will not fully repay the principal that is outstanding on your credit line and your final payment will be a single balloon payment. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your regular payment.

In any event, if your credit line balance falls below $100.00, you agree to pay your balance in full.

Minimum Payment Example: If you made only the minimum and took no other credit advances, it would take 10 years and 2 months to pay off a credit advance of $10,000 at an ANNUAL PERCENTAGE RATE of 4.000%. During that period, you would make 122 monthly payments ranging from $84.42 to $100.00.

Transaction Requirements: The following transaction limitations will apply to the use of your credit line:

Credit Line FNBE Home Equity Line of Credit Check Limitations. The following transaction limitations will apply to your credit line and the writing of FNBE Home Equity Line of Credit Checks.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your credit line is $250.00. This means any FNBE Home Equity Line of Credit Check must be written for at least the minimum advance amount.

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

Variable Rate Feature: The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate) and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

The Index: The ANNUAL PERCENTAGE RATE is based on the value of an index (referred to in this disclosure as the "Index"). The index PRIME RATE AS PUBLISHED IN THE WALL STREET JOURNAL. Information about the Index is available or published AS PUBLISHED IN THE WALL STREET JOURNAL. We will use the most recent Index value available to us as of THE LAST DAY OF EACH MONTH BEFORE any annual percentage rate adjustment.

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Annual Percentage Rate: To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by 12 (monthly). To obtain the ANNUAL PERCENTAGE RATE, we multiply the Periodic Rate by 12 (monthly). This result is the **ANNUAL PERCENTAGE RATE**. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. However, if the Index rate change since the previous adjustment is less than 0.125%, the ANNUAL PERCENTAGE RATE will not change. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by periodic annual percentage rate change limitations and the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Frequency of Annual Percentage Rate Adjustments: Your ANNUAL PERCENTAGE RATE can change monthly. Your ANNUAL PERCENTAGE RATE cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 16.000% per annum or go below 4.000% per annum, 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 16.000% would be $192.25. This ANNUAL PERCENTAGE RATE could be reached at the time of the 6th payment.

Prepayment: You may prepay all or any amount owing under the Plan, at any time, without penalty.

Historical Example: The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single $10,000 credit advance would have changed based on changes in the Index from 2007 to 2022. The Index values are from the following reference period: THE LAST BUSINESS DAY IN JANUARY. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

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, would change in the future.

Index Table

Year (THE LAST BUSINESS DAY IN JANUARY)	Index (Percent)	Margin (1) (Percent)	Annual Percentage Rate	Monthly Payment (Dollars)
2007	8.25	0.000	8.25	126.06
2008	6.00	0.000	6.00	100.00
2009	3.25	0.000	4.00 (2)	100.00
2010	3.25	0.000	4.00 (2)	100.00
2011	3.25	0.000	4.00 (2)	100.00
2012	3.25	0.000	4.00 (2)	100.00
2013	3.25	0.000	4.00 (2)	100.00
2014	3.25	0.000	4.00 (2)	100.00
2015	3.25	0.000	4.00 (2)	100.00
2016	3.50	0.000	4.00 (2)	100.00
2017	3.75	0.000	4.00 (2)	100.00
2018	4.50	0.000	4.50	100.00
2019	5.50	0.000	5.50	100.00
2020	4.75	0.000	4.75	100.00
2021	3.25	0.000	4.00 (2)	100.00
2022	7.50	0.000	7.50	100.00

(1) This is a margin we have used recently; your margin may be different
(2) This reflects the lifetime floor rate

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Privacy Disclosure

FACTS	WHAT DOES The First National Bank of Elmer DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: · Social Security Number and Income · Account Balances and Payment History · Credit History and Checking Account Information When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons The First National Bank of Elmer chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does The First National Bank of Elmer share?	Can you limit this sharing?
For our everyday business purposes – Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – To offer our products and services to you	No	We Don't Share
For joint marketing with other financial companies	Yes	No
For our affiliate's everyday business purposes – Information about your transactions and experiences	No	We Don't Share
For our affiliate's everyday business purposes – Information about your creditworthiness	No	We Don't Share
For non-affiliates to market you	No	We Don't Share

Questions?	Call (856) 358-7000 or go to www.ElmerBank.com

What we do

How does The First National Bank of Elmer protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does The First National Bank of Elmer collect my personal information?	We collect your personal information, for example, when you: · Open an Account or Deposit Money · Pay your bills or apply for a Loan · Give us Your Income Information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: · Sharing for affiliate's everyday business purposes- information about your creditworthiness · Affiliates from using your information to market to you · Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. · *The First National Bank of Elmer has no affiliates.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. · *The First National Bank of Elmer does not share with nonaffiliates so they can market to you.*
Joint Marketing	Companies not related by common ownership or control. They can be financial and nonfinancial companies. · *The First National Bank of Elmer does not share with nonaffiliates so they can market to you.*