



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

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 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 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 a 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:** We offer 2 different payment options with different "draw periods". The draw period is the time during which you may obtain credit advances. At our option, we may renew or extend the draw period. After the draw period ends, the repayment period will begin. At closing you may choose from the following options:

**OPTION 1:** This option offers a 10 year draw period. The length of the repayment period will depend on the date you obtained your last advance, but will never be longer than 5 years.

At the end of a month in which an advance was taken we will recalculate your payment to repay the balance at the current annual percentage rate within a payoff period of 180 months, although less time may be remaining to the maturity date of the mortgage.

**OPTION 2:** This option offers a 5 year draw period. The length of the repayment period will depend on the date you obtained your last advance, but will never be longer than 15 years.

At the end of a month in which an advance was taken we will recalculate your payment to repay the balance at the current annual percentage rate within a payoff period of 240 months, although less time may be remaining to the maturity date of the mortgage.

For both **OPTION 1** and **OPTION 2:** You will be required to make monthly payments during both the draw and repayment periods. Your payment will be rounded up to the nearest dollar. Your payment will include any amount past due and any amount by which you have exceeded your credit limit. Your payment will never be less than the smaller of \$50 or the full amount that you owe. If your balance is zero, there will be no payment due.

Due to the payment calculation method, the minimum payment may not fully repay the principal that is outstanding on your line by the final payment date. If this

occurs, you will be required to make a large final or "balloon" payment. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs. If the interest rate increases so much that the minimum payment is not adequate to pay the accrued finance charges (interest) we will increase your payment to the amount necessary to repay the balance by the maturity date. If the interest rate decreases after we make an adjustment for negative amortization, we will decrease your payment back to the original payment.

**MINIMUM PAYMENT EXAMPLE, OPTION 1:** If you made only the minimum monthly payment and took no other credit advances it would take 14 years 10 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 3.25%. During that period, you would make 177 payments of \$71.00 and one (1) final payment of \$44.76.

**MINIMUM PAYMENT EXAMPLE, OPTION 2:** If you made only the minimum monthly payment and took no other credit advances it would take 19 years 6 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.0%. During that period, you would make 233 payments of \$67.00 and one (1) final payment of \$64.71.

**FEES AND CHARGES:** You must pay certain fees to third parties to open the plan. These fees generally total between \$ \_\_\_\_\_ and \$ \_\_\_\_\_. 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 plan.

**REFUNDABILITY OF FEES:** If you decide not to enter into this plan within three 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:** In order to receive the initial discounted rate and to waive the bona-fide third party fees, you must receive a minimum credit advance of \$30,000.00 for the first advance at closing. When you do not receive an initial discounted rate, the minimum credit advance that you can receive is \$10,000.00 for the first advance. The minimum subsequent credit advance that you can receive is \$500.00 whether or not you received an initial discounted rate.

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

**VARIABLE RATE FEATURE:** This plan 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 is based on the value of an index. The index is the Prime Rate published in the *Wall Street Journal*. When a range of rates has been published, the highest rate is used. We will use the most recent index value available to us as of the third Thursday of the month preceding any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the index. The margin you receive is based on certain creditworthiness criteria. The initial annual percentage may be "discounted" based on certain creditworthiness criteria, your loan-to-value ratio and enrolled in payroll deduction – it may not be based on the index and margin used for later rate adjustments. If you receive an initial discounted rate, the rate will be in effect for 6

months. You may not qualify for the margin shown in the historical table. If the rate is not already rounded we then round up to the next .125%.

Please ask us for the current index value, margin, discount 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 can change on the first day of each month. The rate cannot increase or decrease more than 2 percentage points in any one year period. The initial discount rate will not be taken into account in applying this periodic rate cap. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 16%. However, for **OPTION 1** your **ANNUAL PERCENTAGE RATE** will never go below 3.25% and 5.00% for **OPTION 2** at any time during the term of the Plan.

**MAXIMUM RATE AND PAYMENT EXAMPLES, OPTION 1:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 16% would be \$147.00. This annual percentage rate could be reached at the time of the 73<sup>rd</sup> payment.

**MAXIMUM RATE AND PAYMENT EXAMPLES, OPTION 2:** If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 16% would be \$140.00. This annual percentage rate could be reached at the time of the 61<sup>st</sup> payment.

**PREFERRED RATE:** You may be entitled to initially receive a preferred rate under this plan. You will be eligible for the preferred rate if you have a United Rewards Checking Account. If you fail to maintain preferred rate status, we may increase your **ANNUAL PERCENTAGE RATE** 0.25% above the preferred rate.

**HISTORICAL EXAMPLE:** The following table 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 over the past 15 years. The index values are from the last business day of January of each year.

While only one payment per year is shown, payments may have varied during each 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 each year. It does not necessarily indicate how the index or your payments will change in the future.

WALL STREET JOURNAL PRIME RATE INDEX TABLE (Non-Discount)

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	<b>ANNUAL PERCENTAGE RATE</b> OPTION 1	Monthly Payment (Dollars) OPTION 1	<b>ANNUAL PERCENTAGE RATE</b> OPTION 2	Monthly Payment (Dollars) OPTION 2
2008.....	6.000	0.00	6.000	85.00	6.000	72.00
2009.....	3.250	0.00	4.000 <sup>(2)</sup>	85.00	5.000 <sup>(3)</sup>	72.00
2010.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2011.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2012.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2013.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2014.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2015.....	3.250	0.00	3.250	85.00	5.000 <sup>(3)</sup>	72.00
2016.....	3.500	0.00	3.500	85.00	5.000 <sup>(3)</sup>	72.00
2017.....	3.750	0.00	3.750	85.00	5.000 <sup>(3)</sup>	72.00
2018.....	4.500	0.00	4.500	85.00	5.000 <sup>(3)</sup>	72.00
2019.....	5.500	0.00	5.500	85.00	5.500	72.00
2020.....	4.750	0.00	4.750	85.00	5.000 <sup>(3)</sup>	72.00
2021.....	3.250	0.00	3.250		5.000 <sup>(3)</sup>	72.00
2022.....	3.250	0.00	3.250		5.000 <sup>(3)</sup>	72.00

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 5.000% floor.

WALL STREET JOURNAL PRIME RATE INDEX TABLE (Discount)

Year (as of the last business day of January)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	<b>ANNUAL PERCENTAGE RATE OPTION 1</b>	Monthly Payment (Dollars) OPTION 1	<b>ANNUAL PERCENTAGE RATE OPTION 2</b>	Monthly Payment (Dollars) OPTION 2
2008.....	6.000	0.00	3.490 <sup>(3)</sup>	72.00	3.490 <sup>(3)</sup>	58.00
2009.....	3.250	0.00	4.000 <sup>(2)</sup>	72.00	5.000 <sup>(4)</sup>	58.00
2010.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2011.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2012.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2013.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2014.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2015.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2016.....	3.500	0.00	3.500	72.00	5.000 <sup>(4)</sup>	58.00
2017.....	3.750	0.00	3.750	72.00	5.000 <sup>(4)</sup>	58.00
2018.....	4.500	0.00	4.500	72.00	5.000 <sup>(4)</sup>	58.00
2019.....	5.500	0.00	5.500	72.00	5.500	58.00
2020.....	4.750	0.00	4.750	72.00	5.000 <sup>(4)</sup>	58.00
2021.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00
2022.....	3.250	0.00	3.250	72.00	5.000 <sup>(4)</sup>	58.00

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(2)</sup> This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.

<sup>(3)</sup> This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently; your plan may be discounted by a different amount.

<sup>(4)</sup> This **ANNUAL PERCENTAGE RATE** reflects a 5.000% floor.