



IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit.

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 paid to us or to anyone else in connection with your application.

SECURITY INTEREST: We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS: Under certain circumstances, we can (1) terminate your line, require you to pay us the entire balance in one payment, and charge you certain fees; (2) refuse to make additional extensions of credit; and (3) reduce your credit limit. We can terminate your account, 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; (3) your action or inaction adversely affects the collateral or our rights in the collateral; (4) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (5) we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (6) you are in default of a material obligation of the agreement; (7) government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line; (8) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice; or (9) the maximum annual percentage rate is reached.

HAZARD INSURANCE: You must carry property insurance on the property that secures the line. Flood Insurance may be required.

FEES TO OPEN AND MAINTAIN AN ACCOUNT: Lawyer's Fees. If your credit limit is above \$99,999, we may, at our option, have a lawyer represent us in the transaction (including title work) and you will have to pay the attorney's fees before we will open the account. We estimate that these fees will range from \$400 to \$800. If your credit limit is \$99,999 or less, you will not have to pay any fees to third parties (other than hazard insurance) except for property located in the state of New York.

Annual Membership Fee and Hazard Insurance. In order to maintain an account, you must pay us an Annual Membership Fee of \$35.00 due each year. We also require that you maintain adequate fire and other hazard insurance (including where applicable, flood insurance) with respect to your home

Properties located in New York. If the property that secures the line is located in the State of New York, you must pay certain fees to third parties, regardless of the credit limit. These fees generally total less than 1% of your credit limit. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

MINIMUM PAYMENT REQUIREMENTS: You can obtain advances of line of credit for 10 years (the "Draw Period"). During the Draw Period payments will be due monthly. Your minimum monthly payment will equal the finance charges that have accrued on the outstanding balance. After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 15 years (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum monthly payment will equal 1/180th of the balance that was outstanding at the end of the draw period plus the finance charges that have accrued on the remaining balance.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payments and took no other credit advances it would take 25 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE OF 4.00%. During that period you would make 120 monthly payments of \$33.33 followed by 180 monthly payments varying between \$88.89 and \$55.74.

MINIMUM DRAW: The minimum credit advance you can receive is \$500.00.

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

VARIABLE RATE INFORMATION: The line has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment can change as a result. The annual percentage rate includes only interest and not other costs. The annual percentage rate is based on the value of an index. The Index is the highest Prime Rate published in the Wall Street Journal "Money Rates" table. To determine the annual percentage rate that will apply, we add a margin to the value of the index. If the Wall Street Journal ceases to publish the Index, we will choose a substitute Index that is based upon comparable information and, if necessary, a substitute margin, so that the change in the Index results in substantially the same rate as required in the previous index. Ask us for the current Index Value, margin and annual percentage rate. After you open a credit line, rate information will be provided on the periodic statements that we send to you.

RATE CHANGES: The ANNUAL PERCENTAGE RATE can change each month during the Draw Period The ANNUAL

PERCENTAGE RATE can change on the first day of the Repayment Period and every twelve months thereafter during the Repayment Period. The maximum ANNUAL PERCENTAGE RATE that can apply is eighteen (18%) percent. Except for this eighteen (18%) "cap", there is no limit on the amount by which the rate can change each month during the Draw Period or each year during the Repayment Period.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of \$10,000 during the Draw Period the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of eighteen (18%) percent would be \$150.00. This ANNUAL PERCENTAGE RATE could be reached during the first month of the Draw Period. If you had an outstanding balance of \$10,000 at the beginning of the Repayment Period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of eighteen (18%) percent would be \$205.56. This ANNUAL PERCENTAGE RATE could be reached during the first month of the Repayment Period.

HISTORICAL EXAMPLE: The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of September of each year. The table assumes that no additional credit advances were taken, that only the minimum payment was 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.

YEAR	INDEX (%)	MARGIN~ (%)	ANNUAL PERCENTAGE RATE (%)	MINIMUM MONTHLY PAYMENT (\$)
DRAW PERIOD				
1997	8.500	0.000	8.500	70.83
1998	8.500	0.000	8.500	70.83
1999	8.250	0.000	8.250	68.75
2000	9.500	0.000	9.500	79.17
2001	6.500	0.000	6.500	54.17
2002	4.750	0.000	4.750	39.58
2003	4.000	0.000	4.000	33.33
2004	4.500	0.000	4.500	37.50
2005	6.500	0.000	6.500	54.17
2006	8.250	0.000	8.250	68.75
REPAYMENT PERIOD				
2007	8.250	0.000	8.250	124.31
2008	5.000	0.000	5.000	94.44
2009	3.250	0.000	4.000*	84.44
2010	3.250	0.000	4.000*	82.22
2011	3.250	0.000	4.000*	80.00

~ This is a margin we have used recently; your margin may be different. *indicates the floor rate in effect at that time

This is not a commitment to make a loan. You hereby acknowledge receipt of this Home Equity Program Disclosure and a copy of the Home Equity Brochure on today's date.