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Home Equity Early Disclosure

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: You can obtain credit advances for 10 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends, but will not exceed 10 years. You will be required to make monthly payments during both the draw and repayment periods. Payments will be rounded up to the next dollar. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of $50.00, or the full amount that you owe.

During the draw period, the payment will be a percentage of the outstanding balance at the time of an advance based on the then current annual percentage rate as shown in the table below. The payment will be recalculated at the time of an advance or when the annual percentage rate tier changes.

ANNUAL PERCENTAGE RATE RANGE	MINIMUM PAYMENT % OUTSTANDING BALANCE
11.00% or Less	1.00%
11.01% to 14.99%	1.25%
15.00% and Above	1.50%

When the draw period ends, the payment will remain at the then current percentage. If the interest rate increases, you will be required to make more payments of the same amount until the end of the repayment period. The minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon payment at the maturity date. 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

NEGATIVE AMORTIZATION: Under some circumstances, the minimum payment will not cover the finance charges (interest) that is owed and "negative amortization" will occur. Negative amortization could occur at certain high interest rates or if you owed fees, such as a late fee. You may prevent negative amortization by paying more than the minimum payment. Negative amortization will increase the amount owed at the end of the repayment period.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 15 years to pay off a credit advance of $10,000 at an **ANNUAL PERCENTAGE RATE** of 8.75%. During that period, you would make 120 payments of $100.00, followed by 59 payments of $100.00 and one (1) final payment of $85.07.

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Flood Zone Determination Fee: $ 17.00 (Due at closing)

You must pay certain fees to third parties to open the plan. These fees generally total between $400.00 and $1,400.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

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

ADDITIONAL HOME EQUITY PLANS: Please ask us about our other available home equity line of credit plans.

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. A change in the annual percentage rate may not cause a change in payment unless the annual percentage rate entered into a different annual percentage rate tier during the draw period. An increase in the annual percentage rate could result in a balloon payment or increase the amount of the balloon payment. The annual percentage rate includes only interest and no other costs.

The annual percentage rate is based on the value of an index. The index is the Prime Rate published in the Money Rates column of the *Wall Street Journal*. When a range of rates has been published the highest rate will be used. We will use the most recent index value available to us as of the first day of the month preceding the date of any annual percentage rate adjustment (which means as of December 1st and June 1st).

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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, market conditions, the amount of equity in the property and whether it is owner occupied or a rental property. If the rate is not already rounded we then round up to the next .125%.

The initial annual percentage rate may be "discounted"; if it is discounted, the initial rate will not be based on the index and margin used for later rate adjustments. We have recently offered a discounted rate that was in effect for 6 months. Ask us for the current index value, margin for which you qualify, discount availability, 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 semi-annually on the first day of January and July after the expiration of any discount period. The rate cannot increase or decrease more than 2.0 percentage points in any one year period. The initial discount rate will not be taken into account in applying this periodic rate cap. The **ANNUAL PERCENTAGE RATE** cannot increase more than 6.0 percentage points above the initial rate that would have been in effect without the discount or above the maximum rate allowed for federal credit unions which is currently 18.0%. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below a minimum rate that is based on certain creditworthiness factors. The minimum rate will apply after the expiration of any discount period. A minimum **ANNUAL PERCENTAGE RATE** of 6.0% is a representative minimum rate for purposes of this disclosure. Ask us for the specific rate limitations that will apply to your credit line.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of $10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 14.75% would be $125.00. This annual percentage rate could be reached at the time of the 25th payment.

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

			With Discount		Without Discount	
Year (as of the last business day of January)	Index (Percent)	Margin[1] (Percent)	**ANNUAL PERCENTAGE RATE**	Monthly Payment (Dollars)	**ANNUAL PERCENTAGE RATE**	Monthly Payment (Dollars)
2012	3.250	2.000	2.990[2]	100.00	6.000[3]	100.00
2013	3.250	2.000	6.000[3]	100.00	6.000[3]	100.00
2014	3.250	2.000	6.000[3]	100.00	6.000[3]	100.00
2015	3.250	2.000	6.000[3]	100.00	6.000[3]	100.00
2016	3.500	2.000	6.000[3]	100.00	6.000[3]	100.00
2017	3.750	2.000	6.000[3]	100.00	6.000[3]	100.00
2018	4.500	2.000	6.500	100.00	6.500	100.00
2019	5.500	2.000	7.500	100.00	7.500	100.00
2020	4.750	2.000	6.750	100.00	6.750	100.00
2021	3.250	2.000	6.000[3]	100.00	6.000[3]	100.00
2022	3.250	2.000	6.000[3]	100.00	6.000[3]	100.00
2023	7.500	2.000	8.000[4]	100.00	8.000[4]	100.00
2024	8.500	2.000	10.000[4]		10.000[4]	
2025	7.500	2.000	9.500		9.500	
2026	6.750	2.000	8.750		8.750	

[1] This is a margin we have used recently; your margin may be different.
[2] This **ANNUAL PERCENTAGE RATE** reflects a discount that we have provided recently; your plan may be discounted by a different amount.
[3] This **ANNUAL PERCENTAGE RATE** reflects a 6.000% floor.
[4] This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.

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