4020 Fee Fee Road
Bridgeton, MO 63044
(314) 298-0055
Toll Free (800) 522-6009

# IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

**THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. THE TERMS FOR ALL PLANS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.**

**Availability Of Terms**
All 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 you paid to us or anyone else in connection with your application.

**Security Interest**
We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

**Possible Actions**
**Termination**
If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan and require payment in full of the entire outstanding balance in a single payment.

**Suspension**
Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the annual percentage rate provided for or impairs our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum annual percentage rate under the plan is reached; or (9) a regulatory agency has notified us that further advances under this plan constitute an unsafe and unsound practice.

The initial agreement permits us to make certain changes to the terms of the agreement at specific times or upon the occurrence of specified events.

**Minimum Payment Requirements**
You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be established at the time of each advance at an amount equal to the greater of: (a) the amount necessary to fully amortize Your then outstanding Account balance over a period of 180 months from the date of the last advance (rounded up to the next highest dollar); or (b) the applicable payment amount set forth in the following table:

| Unpaid Account Balance | Payment Amount |
|---|---|
| Less Than $10,001.00 | $140.00 |
| $10,001.00 - $20,000.99 | $280.00 |
| $20,001.00 - $30,000.99 | $420.00 |
| $30,001.00 - $40,000.99 | $560.00 |
| $40,001.00 - $50,000.99 | $700.00 |
| $50,001.00 - $60,000.99 | $840.00 |
| $60,001.00 - $70,000.99 | $980.00 |
| $70,001.00 - $80,000.99 | $1,120.00 |
| $80,001.00 - $90,000.99 | $1,260.00 |
| $90,001.00 - $100,000.99 | $1,400.00 |
| $100,001.00 - $125,000.99 | $1,645.00 |
| $125,000.01 - $150,000.00 | $1,975.00 |
| $150,000.01 And Greater | $1,975.00* |

*plus $330.00 for each $25,000.00 increment of Your unpaid Account balance, or part thereof, that exceeds $150,000.00

After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding balance (the repayment period). The length of the repayment period will in no event exceed 180 months. During the repayment period, your minimum monthly payment will be calculated in the same manner as the draw period.

Paying only the minimum payment may not be sufficient to fully amortize Your unpaid Account balance by the end of the Repayment Period in which case, you will be required to pay Your entire remaining balance in a single balloon payment on the Agreement Maturity Date.

**Negative Amortization**
Under some circumstances, your payment will not cover the Finance Charges that accrue and Negative Amortization will occur. Negative Amortization will increase the amount that you owe us and reduce your equity in your home. If necessary, your payment will be adjusted to the amount needed to avoid negative amortization.

**Minimum Payment Example**
If you made only the minimum payments and took no other credit advances, it would take 85 months to pay off a credit advance of $10,000 at an **ANNUAL PERCENTAGE RATE** of 4.75%. During that period, you would make 84 monthly payments of $140.00, followed by a final payment of $16.95.

**Fees And Charges**
To open a line of credit, you may have to pay certain fees to third parties. These fees generally range from $100.00 to $500.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties. After your account is established, you will have to pay us $3.00 each time you request an advance by telephone.

**Insurance**
You must carry insurance on the property that secures this plan.

**Minimum Draw Requirements**
The minimum credit advance you can receive is $1,000.00.

Copyright Oak Tree Business Systems, Inc., 2012-2013. All Rights Reserved.

**Tax Deductibility**
You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

**Variable Rate**
Following the expiration of any Introductory Rate period, Your Account will be subject to a Variable Rate feature, and as a result, the Annual Percentage Rate (corresponding to the periodic rate) and the amount and/or number of your scheduled payments can 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 highest Prime Rate as published in the Money Rates Section of The Wall Street Journal and in effect on the 15th calendar day that immediately precedes the 1st day of each calendar quarter – except to the extent that when such day falls on a weekend or holiday We will use the rate that was in effect on the proceeding business day. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, discount and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

**Rate Changes**
Your Annual Percentage Rate can change on the day that any introductory rate period expires and every calendar quarter thereafter. Except for when any introductory rate period expires, and subject to the minimum and maximum Annual Percentage Rates that can apply at any time to this account, your interest rate cannot increase or decrease by more than 1.00% each quarter. The maximum **ANNUAL PERCENTAGE RATE** at any time is 24.90%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 2.50%.

**Introductory Rate Plan**
If your line of credit is subject to an Introductory Rate, for the 6-month period immediately following the Date of Agreement, the **ANNUAL PERCENTAGE RATE** that will apply to your account will be 2.75%*. Upon the expiration of the Introductory Rate period, your account will be subject to the Variable Rate provisions described herein. The initial Annual Percentage Rate is not based on the index and margin used for later adjustments.

*This represents an Introductory Rate we have recently used.

**Maximum Rate And Payment Examples**
If you had an outstanding balance of $10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 24.90% would be $213.00. This Annual Percentage Rate could be reached during the 63rd month of the draw period for plans that do not have an introductory rate, and the 7th month of the draw period for plans that are subject to an introductory rate.

If you had an outstanding balance of $10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 24.90% would be $213.00. This Annual Percentage Rate could be reached during the 63rd month of the repayment period.

**Historical Example**
The following table shows how the Annual Percentage Rate and the monthly payments for a single $10,000 credit advance would have changed based on changes in the index since 1999. The index is from The Wall Street Journal and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the 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 the year. It does not necessarily indicate how the index or your payments will change in the future.

| Year | Index | Margin (1) | **ANNUAL PERCENTAGE RATE** (2) | (3) | Payment Period | Minimum Payment |
|---|---|---|---|---|---|---|
| 1999 | 7.75 | 1.50 | 9.25% | 2.75% | DRAW | $140.00 |
| 2000 | 8.50 | 1.50 | 10.00% | 10.00% | DRAW | $140.00 |
| 2001 | 9.50 | 1.50 | 11.00% | 11.00% | DRAW | $140.00 |
| 2002 | 4.75 | 1.50 | 7.00%(4) | 7.00%(4) | DRAW | $140.00 |
| 2003 | 4.25 | 1.50 | 5.75% | 5.75% | DRAW | $140.00 |
| 2004 | 4.00 | 1.50 | 5.50% | 5.50% | DRAW | $140.00 |
| 2005 | 5.25 | 1.50 | 6.75% | 6.75% | DRAW | $140.00 |
| 2006 | 7.25 | 1.50 | 8.75% | 8.75% | DRAW | $140.00 |
| 2007 | 8.25 | 1.50 | 9.75% | 9.75% | DRAW | $140.00 |
| 2008 | 7.25 | 1.50 | 8.75% | 8.75% | DRAW | -0- |
| 2009 | 3.25 | 1.50 | 4.75% | 4.75% | REPAYMENT | -0- |
| 2010 | 3.25 | 1.50 | 4.75% | 4.75% | REPAYMENT | -0- |
| 2011 | 3.25 | 1.50 | 4.75% | 4.75% | REPAYMENT | -0- |
| 2012 | 3.25 | 1.50 | 4.75% | 4.75% | REPAYMENT | -0- |
| 2013 | 3.25 | 1.50 | 4.75% | 4.75% | REPAYMENT | -0- |

(1) This represents a margin we have recently used.
(2) This represents the Annual Percentage Rate for our lines of credit that do not have an introductory rate.
(3) This represents the Annual Percentage Rate for our lines of credit that do have an introductory rate.
(4) This represents the 4.00% per year (1.00% per quarter) rate change limitation.

Copyright Oak Tree Business Systems, Inc., 2012-2013. All Rights Reserved.