

# HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE

BUSEY BANK  
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Dr Fort Myers, FL 33907

## IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our home equity line of credit. You should read it carefully and keep 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 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 mortgage on 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 and require you to pay us the entire outstanding balance in one payment if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the annual percentage rate provided for or impairs the priority of our security interest such that the value of the interest is less than 120 percent of the credit line.
- The maximum annual percentage rate is reached.
- The initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence specified events.

- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate under the Plan is reached.

**Conversion Option:** The Plan contains an option to convert the annual percentage rate under the Plan from a variable rate with annual percentage rate limits to a fixed rate as determined below. The following information is representative of conversion option features recently offered by us: At your discretion, during the Draw Period you may opt to convert a portion of your outstanding Home Equity Line of Credit Account balance, but not less than \$2,500, to a fixed-rate loan (Fixed Rate-Conversion Loan). The maximum number of times you can convert a portion of your outstanding Home Equity Line of Credit balance is 5. Fixed-Rate Conversion Loans may be set up to 36 months or 60 months. However, no Fixed-Rate Conversion Loan may bear a maturity date that extends beyond the Draw Period or Maturity Date established by your Home Equity Line of Credit Agreement.

**Minimum Payment Example:** If you had an outstanding balance of \$10,000 and you opted to convert to the fixed rate for 60 months, the minimum payment at the maximum ANNUAL PERCENTAGE RATE OF 7.610% would be \$200.90

**ANNUAL PERCENTAGE RATE Increase.** Your ANNUAL PERCENTAGE RATE may increase if you exercise this option to convert to a fixed rate.

**Conversion Periods.** You can exercise the option to convert to a fixed rate only during the following period or periods: During the Draw Period.

**Conversion Fees.** You will be required to pay the following fees at the time of conversion to a fixed rate: First Fixed-Rate Conversion Loan will not be assessed a fee. Subsequent Fixed-Rate Conversion Loans will be assessed a processing fee of \$50.00

**Rate Determination:** The fixed rate will be determined as follows: The fixed rate for each portion of your credit line balance converted to a fixed rate conversion loan will accrue at your current interest rate at the time of the conversion plus a margin acceptable to us in our sole discretion.

**Conversion Rules:** You can convert a fixed rate only during the periods or periods described above. In addition, the following rules apply to the conversion option for the Plan: At the inception of each Fixed Rate Conversion Loan, Lender will determine the payment amount required to satisfy the balance of the loan in equal payments over the term of the loan for the fixed rate period. Your Minimum Monthly Payment will be the sum of the fixed payment amounts for all Fixed Rate Conversion Loans, plus the minimum payment amount for the remaining balance owed under the Home Equity Line of Credit Agreement. Any payments made toward the outstanding principal balance of your Fixed Rate Conversion Loans will be available for you to access under your Home Equity Line of Credit Account once those payments have been posted.

In the event a Fixed Conversion Loan becomes greater than 45 days past due, the Lender can initiate a transfer of funds from the borrower's Home Equity Line of Credit Account to the Fixed Rate Conversion Loan to satisfy the obligation, at its discretion. The amount transferred shall be no greater than the outstanding principal balance plus accrued interest on the Fixed Rate Conversion Loan and is subject to availability. In the event the amount available on the Home Equity Line of Credit Account is insufficient to cover all principal; and interest accrued, the Lender may transfer funds to satisfy the outstanding obligation as such funds become available through principal; reduction on the Home Equity Line of Credit Account.



<b>Description:</b>	<b>Amount</b>	<b>When Charged:</b>
Flood Life of Loan Determination	\$5.00-\$10.00	At Account Opening
Property Valuation	\$51.00-\$500.00	At Account Opening
Credit Report	\$5.00-\$14.95	At Account Opening
Abstract or Title Search	\$100.00-\$300.00	At Account Opening
Recording Mortgage	\$69.50-\$78.00	At Account Opening
Recording Mortgage Release	\$69.50-\$78.00	At Account Closing
Title Insurance	\$5.75 per \$1000	At Account Opening
Doc. Stamp Tax	\$.35 per \$100.00	At Account Opening
Intangible Tax	Amount of Note x .002	At Account Opening
Tax Service	\$72.00	At Account Opening
Survey Affidavit	\$225.00-\$250.00	At Account Opening
Closing Fee to Title Company	\$0.00-\$300.00	At Account Opening
Notary Fee	\$150-500	At Account Opening

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

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

**Additional Home Equity Programs:** Please ask us about our other available Home Equity Line of Credit Plans.

**Variable Rate Feature:** The line has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment 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. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). To determine the annual percentage rate that will apply to your line, we add a margin to the value of the index.

Ask us for the current index value, margins, discount and annual percentage rates. After you open a credit line, rate information will be added on periodic statements that we send you.

**Rate Changes:** The annual percentage rate can change monthly. The maximum ANNUAL PERCENTAGE RATE that can apply is 18%. Apart from this rate "cap," there is no limit on the amount by which the rate can change during any one-year period.

**Maximum Rate and Payment Examples:** If the ANNUAL PERCENTAGE RATE during the draw period equaled the 18% maximum and you had an outstanding balance of \$10,000, the minimum monthly payment would be \$150.00. This maximum 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 18% would be \$450. 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 \$10,000 outstanding balance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of January of each year. While only one payment amount per year is shown, payments during the repayment period would have varied during each year.

The table assumes an outstanding balance of \$10,000, 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.

	Year	Index (%)	Margin (%)	ANNUAL PERCENTAGE RATE (%)	Monthly Minimum Payment (\$)
	2006	7.25	1.50	8.75	74.32
	2007	8.25	1.50	9.75	82.81
	2008	7.25	1.50	8.75	74.32
	2009	3.25	1.50	4.75	40.34
	2010	3.25	1.50	4.75	40.34
	2011	3.25	1.50	4.75	40.34
	2012	3.25	1.50	4.75	40.34
	2013	3.25	1.50	4.75	40.34
	2014	3.25	1.50	4.75	40.34
	2015	3.25	1.50	4.75	40.34
	2016	3.50	1.50	5.00	106.07
Repayment Period	2017	3.75	1.50	5.25	107.18
	2018	4.50	1.50	6.00	110.22
	2019	5.50	1.50	7.00	113.88
	2020	4.75	1.50	6.25	111.48