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## HELOC PROGRAM DISCLOSURE

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This disclosure contains important information about our Home Equity Line of Credit (HELOC). You should read it carefully and keep a copy for your records.

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

2. **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.

3. **POSSIBLE ACTIONS.** Under certain circumstances we can:

**Termination and Acceleration.** We can terminate your HELOC, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- a) You commit fraud or make a material misrepresentation at any time in connection your HELOC.
- b) You do not meet the repayment terms of the HELOC.
- c) Your actions or inaction adversely affects the collateral for the HELOC or our rights in the collateral.

**Suspension or Reduction.** In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your HELOC credit limit during any period in which any of the following are in effect:

- a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the HELOC.
- b) We reasonably believe that you will be unable to fulfill your payment obligations under the HELOC due to a material change in your financial circumstances.
- c) You are in default under any material obligation of the HELOC.
- d) We are precluded by government action from imposing the annual percentage rate provided for under the HELOC.
- e) The priority of our security interest is adversely affected by government action to the extent that the value of the interest is less than 120 percent of the credit limit.
- f) We have been notified by government authority that continued advances may constitute an unsafe and unsound business practice.
- g) The maximum annual percentage rate under the HELOC is reached.

4. **MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 120 months (the “Draw Period”). After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 120 monthly statement periods. You will be required to make monthly payments during both draw and repayment periods.

- a) **Draw Period Payment.** During the draw period your minimum payment will equal the interest that accrued on the outstanding balance during the preceding month or \$25 whichever is higher. If the interest rate increases your payment will be higher.
- b) **Repayment Period.** At the beginning of the repayment period we will recalculate your payment based on a 120 month payoff period, at the current interest rate. During the repayment period, each time the interest rate changes, we will amortize your payment to repay the balance with the time remaining to maturity. During the repayment period your payment will never be less than the smaller of \$50 or the full amount you owe.

During both draw and repayment periods your minimum payment will include any amounts past due and any amounts in excess of your credit limit and all other charges.

5. **MINIMUM PAYMENT EXAMPLE.** If you only made the minimum payment and took no other loan advances it would take 10 years to pay off a loan advance of \$10,000 at an annual percentage rate of 4.75%. You would make 120 payments of \$36.94 to \$40.90 followed by 120 payments of \$104.85.

6. **FEES AND CHARGES.** To open and maintain a HELOC, you must pay the following fees to us:

- \* Over the Limit Charge: \$30.00 (due per transaction)
- \* Returned Check Charges: \$30.00 (due per transaction)
- \* Stop Payment: \$30.00 (due per transaction)

Note that some fees may only apply upon the occurrence of an event and have been provided for information purposes only.

You must also pay certain fees to third parties, such as appraisers, attorneys and government agencies. These fees generally total \$1,005.70 for a \$100,000 line. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

You must carry insurance on the property that secures the line of credit.

7. **REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. **NEGATIVE AMORTIZATION.** Under some circumstances, your monthly 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.

9. **TAX DEDUCTIBILITY.** You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

10. **VARIABLE RATE FEATURES.** This HELOC 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 not other costs. The annual percentage rate is based on the value of an index. The index is the base rate on corporate loans posted by at least 70% of the nation’s 10 largest banks know as the Wall Street Journal Prime Rate and is published in the Wall Street Journal. 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, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

11. **RATE CHANGES.** The annual percentage rate can change monthly. There is no limit on the amount by which the rate can change in any one-year period. The maximum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 21.000 percent. The annual percentage rate will never be less than the initial rate.

12. **MAXIMUM RATE AND PAYMENT EXAMPLES.** If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 21.000 percent would be \$175.00. The maximum annual percentage rate during the draw period, could be reached on the 11<sup>th</sup> day of any month.

13. **HISTORICAL EXAMPLES.** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the last 15 years. The index values are from the first business day of August. While only one payment amount per year is shown, payments would have varied during 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 would change in the future.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
1999	8.000	1.000	9.000	75.00
2000	9.500	1.000	10.500	87.50
2001	6.750	1.000	7.750	64.58
2002	4.750	1.000	5.750	47.91
2003	4.000	1.000	5.000	41.66
2004	4.250	1.000	5.250	43.75
2005	6.250	1.000	7.250	60.41
2006	8.250	1.000	9.250	77.08
2007	8.250	1.000	9.250	77.08
2008	5.000	1.000	6.000	50.00
2009	3.250	1.000	4.250	N/A
2010	3.250	1.000	4.250	N/A
2011	3.250	1.000	4.250	N/A
2012	3.250	1.000	4.250	N/A
2013	3.250	1.000	4.250	N/A

\*This is a margin we have used recently; your margin may be different.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure and a copy of the Home Equity Brochure on today's date.

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Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date