

# IMPORTANT TERMS OF YOUR HOME EQUITY LINE OF CREDIT

**Retention of Information:** This disclosure contains important information about your Home Equity Line of Credit. 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 have paid 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 credit line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if: (i) You engage in fraud or material misrepresentation in connection with the line; (ii) You do not meet the repayment terms; (iii) 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: (i) Any of the reasons mentioned above exist; (ii) The value of the dwelling securing the line declines significantly below its appraised value for purposes of this line; (iii) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (iv) You are in default of a material obligation in the agreement; (v) 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; (vi) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; (vii) The maximum **ANNUAL PERCENTAGE RATE** is reached. The initial agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements:** You can obtain advances of credit for 10 years (the "**Draw Period**"). At our option, we may renew or extend the Draw Period. During the Draw Period, your minimum payment will equal the total of (a) the periodic finance charges, and other fees, charges and costs including without limitation, any other expenses or advances incurred by us under the Security Instrument; (b) accrued but unpaid interest for prior Billing Cycles; and (c) premiums for any optional credit life insurance. The Draw Period will be followed by a "**Repayment Period**" of 20 years. During the Repayment Period, if any, your minimum payment will equal 1/240 of your unpaid Account Balance at the end of the Draw period, plus all periodic finance charges, and other fees, charges, and costs. All payments will be due monthly.

**Minimum Payment Example:** If you received an Advance of \$10,000 and made only the minimum monthly payments and took no other credit advances, it would take the following amount of time to repay this loan. For the 10-year Draw Period followed by a 20-year Repayment Period, it would take 360 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.75% during that period, you would make 120 monthly payments of \$64.59 followed by 240 monthly payments between \$41.94 and \$106.26.

**Fees and Charges:** To open and maintain a line of credit, you must pay the following fees to us:

Annual Fee of \$50.00 during the draw period to begin on the first anniversary date. Early Termination Fee of \$400.00 if termination occurs within the first 24 months.

Unless otherwise noted, all fees will be paid at closing. You also must pay certain fees to third parties. These fees generally total between \$0 and \$2,500. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Property Insurance:** You must carry insurance on the property that secures the line. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available. You may select the insurance company of your choice, provided the company and coverage meet our requirements.

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

**Other Products:** If you ask, we will provide you with information on our other available home equity lines.

**Variable-Rate Information:** The Agreement has a variable **ANNUAL PERCENTAGE RATE**. The **ANNUAL PERCENTAGE RATE** and the amount and/or number of Minimum Payment may change as a result. The **ANNUAL PERCENTAGE RATE** includes only interest and no other costs. The Initial **ANNUAL PERCENTAGE RATE** may be "discounted." Any discounted rate is not based on the index and margin used for later rate adjustments.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index, and we may add a margin to the value of the Index. The "Index" is Prime Rate as published in The Wall Street Journal.

Ask us for the current index value, margin, discount or premium, and **ANNUAL PERCENTAGE RATE**. After you open a credit line, rate information will be provided on periodic statements that we will send you.

**Rate Changes:** The **ANNUAL PERCENTAGE RATE** may be adjusted on the first day of each billing cycle (each, a "**Change Date**"). Each change in the **ANNUAL PERCENTAGE RATE** (and the related Daily Periodic Rate) will take effect without prior notice and will apply to both new Advances and your Account Balance.

The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000%, subject to state limitations. Except for this 18.000% "cap" and a 3.000% "floor", there is no limit on the amount by which the rate can increase or decrease during any one-year period.

**Discounted Introductory Rate** - If you maintain a Cape Cod 5 consumer checking account from which payments are automatically debited, you will be eligible for a discounted introductory **ANNUAL PERCENTAGE RATE** (APR) of 7.50%. As long as you maintain autopay, your discounted introductory **ANNUAL PERCENTAGE RATE** will not change for 12 billing cycles. If you cancel autopay from your Cape Cod 5 personal checking account, your **ANNUAL PERCENTAGE RATE** may be variable and increase to the most recently published Wall Street Journal Prime Rate plus any applicable margin. No further discounts apply during the discounted introductory rate term. After the end of the discounted introductory term, the **ANNUAL PERCENTAGE RATE** will be based on the value of Wall Street Journal Prime Rate plus any applicable margin.

If you agree to access your Home Equity Line of Credit exclusively through Cape Cod 5's online or mobile banking systems, enroll in monthly eStatements (agreeing to receive your periodic statement electronically) and maintain a Cape Cod 5 personal checking account from which payments are automatically debited, you will be eligible for an **ANNUAL PERCENTAGE RATE** (APR) discount that is an additional 0.250% lower than the rate that would apply. If for any reason you no longer meet these requirements, your **ANNUAL PERCENTAGE RATE** may be increased by 0.250%.

If you have a Cape Cod 5 Premier5 checking account at the time of closing and maintain a Cape Cod 5 consumer checking account from which payments are automatically debited, you will be eligible for an **ANNUAL PERCENTAGE RATE** (APR) discount that is an additional 0.250% lower than the rate that would apply. If for any reason you no longer meet these requirements, your **ANNUAL PERCENTAGE RATE** may be increased by 0.250%. The \$50.00 annual fee will be waived as long as you maintain the Premier5 checking account.

**Maximum Rate and Prepayment 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 18.000% would be \$150.00. This **ANNUAL PERCENTAGE RATE** could be reached during the first month of the Draw Period. However, if you meet the qualifications for the Introductory Rate, the maximum rate could be reached during the thirteenth month of the Draw Period. During the Repayment Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$191.67 during the 20-year Repayment Period.

**Historical Example:** The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly 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 January 1 of each year. While only one payment amount per year is shown, payments during the Draw and Repayment Periods would have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payments were made each month, 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.

MINIMUM MONTHLY PAYMENT FOR A 10-YEAR DRAW PERIOD WITH NO DISCOUNTS FOLLOWED BY A 20-YEAR REPAYMENT PERIOD				
Year	Index (%)	Margin <sup>(1)</sup> (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment
2009	3.250	0.250	3.500	29.17
2010	3.250	0.250	3.500	29.17
2011	3.250	0.250	3.500	29.17
2012	3.250	0.250	3.500	29.17
2013	3.250	0.250	3.500	29.17
2014	3.250	0.250	3.500	29.17
2015	3.250	0.250	3.500	29.17
2016	3.500	0.250	3.750	31.25
2017	3.750	0.250	4.000	33.34
2018	4.500	0.250	4.750	39.59
2019	5.500	0.250	5.750	89.59 <sup>(2)</sup>
2020	4.750	0.250	5.000	81.25
2021	3.250	0.250	3.500	67.92
2022	3.250	0.250	3.500	66.46
2023	7.500	0.250	7.750	93.34

- (1) This is a margin we have used recently. Your margin may be different.  
(2) The Repayment Period begins this year.

MINIMUM MONTHLY PAYMENT FOR A 10-YEAR DRAW PERIOD WITH INTRODUCTORY RATE FOLLOWED BY A 20-YEAR REPAYMENT PERIOD				
Year	Index (%)	Margin <sup>(1)</sup> (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment
2009	3.250	0.250	7.50 <sup>(3)</sup>	62.51
2010	3.250	0.250	3.500	29.17
2011	3.250	0.250	3.500	29.17
2012	3.250	0.250	3.500	29.17
2013	3.250	0.250	3.500	29.17
2014	3.250	0.250	3.500	29.17
2015	3.250	0.250	3.500	29.17
2016	3.500	0.250	3.750	31.25
2017	3.750	0.250	4.000	33.34
2018	4.500	0.250	4.750	39.59
2019	5.500	0.250	5.750	89.59 <sup>(2)</sup>
2020	4.750	0.250	5.000	81.25
2021	3.250	0.250	3.500	67.92
2022	3.250	0.250	3.500	66.46
2023	7.500	0.250	7.750	93.34

(3)

- (1) This is a margin we have used recently. Your margin may be different.  
(2) The Repayment Period begins this year.  
(3) This is a discounted 12 month introductory rate that we have used recently.

MINIMUM MONTHLY PAYMENT FOR A 10-YEAR DRAW PERIOD WITH INTRODUCTORY RATE AND ONE DISCOUNT FOLLOWED BY A 20-YEAR REPAYMENT PERIOD					
Year	Index (%)	Margin <sup>(1)</sup> (%)	Electronic Discount OR Premier5	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment
2009	3.250	0.250	-0.250	7.50 <sup>(3)</sup>	62.51
2010	3.250	0.250	-0.250	3.250	27.09
2011	3.250	0.250	-0.250	3.250	27.09
2012	3.250	0.250	-0.250	3.250	27.09
2013	3.250	0.250	-0.250	3.250	27.09
2014	3.250	0.250	-0.250	3.250	27.09
2015	3.250	0.250	-0.250	3.250	27.09
2016	3.500	0.250	-0.250	3.500	29.17
2017	3.750	0.250	-0.250	3.750	31.25
2018	4.500	0.250	-0.250	4.500	37.50
2019	5.500	0.250	-0.250	5.500	87.51 <sup>(2)</sup>
2020	4.750	0.250	-0.250	4.750	79.27
2021	3.250	0.250	-0.250	3.250	66.04
2022	3.250	0.250	-0.250	3.250	64.69
2023	7.500	0.250	-0.250	7.500	91.67

(1) This is a margin we have used recently. Your margin may be different.

(2) The Repayment Period begins this year.

(3) This is a discounted 12 month introductory rate that we have used recently.

MINIMUM MONTHLY PAYMENT FOR A 10-YEAR DRAW PERIOD WITH INTRODUCTORY RATE AND BOTH DISCOUNTS FOLLOWED BY A 20-YEAR REPAYMENT PERIOD					
Year	Index (%)	Margin <sup>(1)</sup> (%)	Electronic Discount AND Premier5 Discount	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment
2009	3.250	0.250	-0.500	7.50 <sup>(3)</sup>	62.51
2010	3.250	0.250	-0.500	3.000	25.00
2011	3.250	0.250	-0.500	3.000	25.00
2012	3.250	0.250	-0.500	3.000	25.00
2013	3.250	0.250	-0.500	3.000	25.00
2014	3.250	0.250	-0.500	3.000	25.00
2015	3.250	0.250	-0.500	3.000	25.00
2016	3.500	0.250	-0.500	3.250	27.09
2017	3.750	0.250	-0.500	3.500	29.17
2018	4.500	0.250	-0.500	4.250	35.42
2019	5.500	0.250	-0.500	5.250	85.42 <sup>(2)</sup>
2020	4.750	0.250	-0.500	4.500	77.30
2021	3.250	0.250	-0.500	3.000	64.17
2022	3.250	0.250	-0.500	3.000	62.92
2023	7.500	0.250	-0.500	7.250	90.01

(1) This is a margin we have used recently. Your margin may be different.

(2) The Repayment Period begins this year.

(3) This is a discounted 12 month introductory rate that we have used recently.