



**IMPORTANT TERMS  
HOME EQUITY LINE OF CREDIT  
(10-Year Draw / 15-Year Repay)**

This disclosure contains important information about our 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, solely as a result of such change, 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, or both, 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 creditor is notified by its regulatory agency that continued advances constitute an unsafe and unsound practice.

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

**Minimum-Payment Requirements**

The period during which you can obtain advances of credit (the "draw period") is 120 months. During the draw period, your payments, except for the first payment, will be due monthly and your minimum monthly payment will equal the finance charges that accrued on the outstanding balance during the billing cycle. The minimum monthly payments during the draw period will not reduce the principal that is outstanding on your line of credit.

The first payment will be determined in the same manner and will be due monthly. The first periodic statement normally will be generated and mailed between 30 and 60 days after you open your line.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over a specified period of years (the "repayment period"). The repayment period is 180 months, and, during the 180-month repayment period, your payments will be due monthly. Your minimum monthly payment will equal 1/180<sup>th</sup> (.5555556%) of the principal balance that was outstanding at the end of the draw period plus finance charges that accrued on the outstanding balance during the billing cycle. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit by the end of the repayment period. If there is a balance at the end of the repayment period, you will then be required to pay the entire balance and applicable finance charges in a single payment.

### **Fees and Charges**

To open and maintain an account, you must pay the following fees to Capital City Home Loans:

Loan Origination Fee	Up to 2% of the credit limit (due when account is opened)
Commitment Fee	\$599.00
Underwriting Fee	\$599.00
MERS Fee	\$ 11.95

You may also be required to pay certain fees to third parties (such as appraisers, credit reporting firms, settlement agents and government agencies) to open a line. An itemization of these fees is shown on the Closing Cost Worksheet provided to you.

There is no prepayment penalty or termination fee for closing the account.

### **Refundability of Fees**

If you decide not to enter into this line of credit within three days of receiving this disclosure and the Home Equity brochure, you are entitled to a refund of any fee you may have already paid.

### **Property Insurance**

In addition to these fees and charges, you must carry insurance (including, without limitation, flood insurance if required) on the property that secures the line. You may select the insurance company or agent of your choice, provided the insurance company and coverage meet our requirements.

### **Minimum Credit Line Requirement**

The minimum credit line you can receive is \$10,000.

### **Minimum-Draw Requirement**

Except as limited above, the minimum credit advance that you can receive is \$100.00.

### **Tax Deductibility**

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

### **Variable-Rate Feature**

This line of credit 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. The index is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. 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 to you.

### Rate Change

The annual percentage rate can change monthly. The maximum annual percentage rate that can apply during the credit line is 16.000%. The minimum annual percentage rate that will apply during the credit line is the higher of the margin or 3.250%.

### Minimum Payment Example

If you made only the minimum payments and your outstanding balance was \$10,000.00, and the annual percentage rate was 9.250%, it would take 25 years to pay off the \$10,000.00 balance. During that period, you would make 120 payments of \$77.08, followed by 180 payments varying between \$55.18 and \$132.64.

### Maximum Rate and Payment Examples

If the annual percentage rate during the draw period equaled the 16.000% maximum and you had an outstanding balance of \$10,000.00, the minimum monthly payment would be \$133.33. The maximum annual percentage rate could be reached during the first billing cycle.

If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum annual percentage rate of 16.000% would be \$188.89. 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 payments for a \$10,000 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 January. While only one payment amount per year is shown, payments 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 (%) <sup>1</sup>	ANNUAL PERCENTAGE RATE (%)	Monthly Minimum Payment (\$)	Year End Principal Balance (\$)
2006	7.250	3.750	11.000	91.67	10,000.00
2007	8.250	3.750	12.000	100.00	10,000.00
2008	7.250	3.750	11.000	91.67	10,000.00
2009	3.250	3.750	7.000	58.33	10,000.00
2010	3.250	3.750	7.000	58.33	10,000.00
2011	3.250	3.750	7.000	58.33	10,000.00
2012	3.250	3.750	7.000	58.33	10,000.00
2013	3.250	3.750	7.000	58.33	10,000.00
2014	3.250	3.750	7.000	58.33	10,000.00
2015	3.250	3.750	7.000	58.33	10,000.00
Draw Period Ends - Repayment Period Begins					
2016	3.500	3.750	7.250	115.97	9,333.33
2017	3.750	3.750	7.500	113.89	8,666.66
2018	4.500	3.750	8.250	115.14	7,999.99
2019	5.500	3.750	9.250	117.23	7,333.32
2020	4.750	3.750	8.500	107.50	6,666.65

<sup>1</sup> This is a margin we have used or made available recently.