

# Home Equity Credit Line Program Disclosure

## Important Terms of Our Home Equity Line of Credit

**Name of Lender:** In this disclosure Lincoln Federal Savings Bank will be referred to as the bank or we. You and your will refer to the borrower and co-borrower.

**Program Disclosure and Brochure:** This disclosure contains important information about our Home Equity Line of Credit. Please read all the information carefully and keep a copy for your records. Please also read and retain a copy of the brochure "When Your Home is on the Line" you received today.

**Availability of Terms:** All of the terms described below are subject to change. If these terms (other than a change due to fluctuations in the index upon which the annual percentage rate is based) change and as a result you decide not to enter into an agreement with us, you are entitled to a refund of any fees that you 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 of your agreement with us.

**Possible Actions by Creditor:** Under certain circumstances, we can:

- Terminate your line and require you to pay us the entire outstanding balance in one payment and impose fees upon termination.
- Refuse to make additional extensions of credit.
- Reduce your credit limit.
- Implement certain changes in the plan.

We can terminate your account 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 of credit.
- You do not meet the repayment terms.
- Your action or inaction adversely affects the collateral securing this credit line, or our rights in such collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- You engage in fraud or material misrepresentation in connection with the line of credit.
- You do not meet the repayment terms.
- Your action or inaction adversely affects the collateral securing this line or our rights in such collateral.
- The value of the dwelling securing this line declines significantly below its appraised value for purposes of the line.
- We reasonably believe that 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 of the agreement.
- Government action prevents us from enforcing the annual percentage rate provided for in the agreement.
- The priority of our security interest is adversely affected by Government action to the extent that the value of our security interest is less than 120% of your credit line.
- A regulatory agency has notified that continued advances would constitute unsafe and unsound business practices.
- The maximum annual percentage rate is reached.

**Change in Terms:** You agree that we may make certain changes to the agreement at specified times or upon the occurrence of specified events.

We may make insignificant changes such as changes in the address for payments, billing cycle dates or payment due date, day of the month on which index values are determined, index or interest rate rounding rules, and changes in the balance computation method (if the change results in an insignificant difference in the interest you pay.) We may also make changes that will benefit you, such as additional options, or temporary reduction in rates or fees. In accordance with federal law, we may also change the index and margin we use to determine the annual percentage rate if that index is no longer available. We may also make any changes that are legal and that you agree to in writing.

**Minimum Payment Requirements:** You can obtain credit advances for 3 or 5 years depending on the option you select. During this period, payments will be due monthly. Your minimum monthly payment will be the amount of accrued interest or \$50.00, whichever is greater. The minimum monthly payment may not be enough to fully repay the principal balance outstanding on your line of credit.

**Fees and Charges:** You may be required to pay fees to third parties for appraisal, title search, filing, mortgage tax, flood, credit report and title search. These fees generally total between \$600.00 and \$900.00.

**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 the fees you have already paid.

**Minimum Draw Requirements:** The Initial Advance Amount: \$500.00. Subsequent Minimum Advance Amount: \$500.00.

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

### -FIXED RATE OPTIONS FOR DRAW PERIOD-

**Fixed Rate Features:** 7.25% and 7.875% are recent annual percentage rate that has been in effect under the plan for 3 or 5 year options. This rate does not include costs other than interest.

### Minimum Payment Example:

If you took a single \$10,000.00 credit advance and made only the minimum monthly payment and the annual percentage rate was 7.25% during the 3-year term of your loan, you would make 35 payments varying in amount from \$55.62 and \$61.57 and a final payment of \$10,061.57. Note, in this example, the monthly payment exceeds the minimum monthly payment of \$50.00.

If you took a single \$10,000.00 credit advance and made only the minimum monthly payment and the annual percentage rate was 7.875% during the 5-year term of your loan, you would make 59 payments varying in amount from \$60.41 and \$66.88 and a final payment of \$10,066.88. Note, in this example, the monthly payment exceeds the minimum monthly payment of \$50.00.


**Historical Example:** The following table shows how the annual percentage rate and minimum payments for a \$10,000.00 credit advance would have changed based upon changes in the index over the last 15 years. Values are as of January 1st each year. The table assumes that no additional credit advances were taken, that only the minimum monthly payments were made and that the annual percentage rate remained constant during each year. It does not necessarily indicate how the index and annual percentage rate or your payments will change in the future. The 15-year history is shown below.

Year	Index	Margin*	APR	Monthly Interest Payment
01/11	3.25	1.00	4.25	\$35.42**
01/12	3.25	1.00	4.25	\$35.42**
01/13	3.25	1.00	4.25	\$35.42**
01/14	3.25	1.00	4.25	\$35.42**
01/15	3.25	1.00	4.25	\$35.42**
01/16	3.50	1.00	4.50	\$37.50**
01/17	3.75	1.00	4.75	\$39.58**
01/18	4.50	1.00	5.50	\$45.83**
01/19	5.50	1.00	6.50	\$54.17
01/20	4.75	1.00	5.75	\$47.92**
01/21	3.25	1.00	4.25	\$35.42**
01/22	3.25	1.00	4.25	\$35.42**
01/23	7.50	1.00	8.50	\$72.19
01/24	8.50	1.00	9.50	\$80.68
1/25	7.75	0.00	7.75	\$65.82

\* This is a margin we have used recently. Your margin and corresponding interest rate may be different.  
\*\* The minimum payment due during the draw period is \$50.00.

Your 36th monthly payment (due 3 years from the date of the note) could be \$10,061.57 if you select the 3 year option  
Your 60<sup>th</sup> monthly payment (due 5 years from the date of the note) could be \$10,066.88 if you select the 5 year option

**This is not a commitment to make a loan. You hereby acknowledge receipt of this Home Equity Disclosure and a copy of the Home Equity Brochure.**

<div><div>Lincoln Federal SAVINGS BANK</div></div>					<div>CONSUMER LOAN APPLICATION</div>						
<div><div>This application is designed to be completed by the borrower(s) with the lender's assistance.</div><div>Check One: <input type="checkbox"/> Individual. Relying solely on Borrower's income. <input type="checkbox"/> Joint. Borrower(s) intend to apply for joint credit. (initials) _____</div><div>The Co-Borrower section and all other Co-Borrower questions should be completed to the extent possible if: (1) Co-Borrower will be jointly obligated with Borrower on the loan; (2) Borrower will be relying on income or assets of the Co-Borrower as a basis for repayment of the loan; (3) Borrower is relying on income from alimony, child support or separate maintenance from the Co-Borrower or other party; or (4) Borrower is married to the Co-Borrower and resides in, or the property is located in, a community property State. If Borrower is married, Borrower's spouse need not be jointly obligated with Borrower on the loan and need not sign as a Co-Borrower unless Item (2) above applies or unless the spouse's signature is required under State law to create a valid lien, pass clear title or waive inchoate rights to property.</div></div>											
Lender											
Lincoln Federal Savings Bank of Nebraska 8400 Maddox Drive, Lincoln, NE 68520						Loan Origination Company: 422057 Loan Originator: Robyn Drudik: 2496544					
Terms of Account Requested											
Amount of Credit \$		Initial Advance \$		Type of Loan <input type="checkbox"/> Fixed Rate <input type="checkbox"/> ARM (type): <input type="checkbox"/> Other:							
Term in Months		Interest Rate %		Purpose <input type="checkbox"/> HELOC <input type="checkbox"/> Bridge <input type="checkbox"/> Equity <input type="checkbox"/> Mod <input type="checkbox"/> HI <input type="checkbox"/> Other:							
Property Information											
Address				Year Built		Date Purchased		Present Value \$		Balance Owing \$	
Title in Names(s) of:						Name and Address of Insurance Carrier					
Mortgage Holder Name:											
Borrower					Co-Borrower						
Full Name					Full Name						
Social Security Number		Email Address			Social Security Number		Email Address				
Phone Number Cell Home Both		Date of Birth			Phone Number Cell Home Both		Date of Birth				
Dependents (not listed by Co-Borrower)		No.	Ages		Dependents (not listed by Borrower)		No.	Ages			
<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated					<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated						
Present Address (Street, City, State, Zip) <input type="checkbox"/> Own <input type="checkbox"/> Rent    # Yrs.					Present Address (Street, City, State, Zip) <input type="checkbox"/> Own <input type="checkbox"/> Rent    # Yrs.						
Previous Address (Complete if less than 2 years at present address) (Street, City, State, Zip) <input type="checkbox"/> Own <input type="checkbox"/> Rent    #Yrs.					Previous Address (Complete if less than 2 years at present address) (Street, City, State, Zip) <input type="checkbox"/> Own <input type="checkbox"/> Rent    #Yrs.						
Employer Name & Address <input type="checkbox"/> Self Employed					Employer Name & Address <input type="checkbox"/> Self Employed						
Employer Phone Number			Years Employed		Employer Phone Number			Years Employed			
Position/Title		Type of Business			Position/Title		Type of Business				
Are there any unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, to whom?					Are there any unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, to whom?						
In the last 10 years, have you been declared bankrupt? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, where?					In the last 10 years, have you been declared bankrupt? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, where?						
Are you a party to any lawsuits? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please explain.					Are you a party to any lawsuits? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please explain.						
Are you a co-maker or guarantor on any loan or contract? <input type="checkbox"/> Yes <input type="checkbox"/> No					Are you a co-maker or guarantor on any loan or contract? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Did you ever have credit in any other name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what name?					Did you ever have credit in any other name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what name?						
Have you previously had credit with us? <input type="checkbox"/> Yes <input type="checkbox"/> No					Have you previously had credit with us? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Are you a US Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No					Are you a US Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No						

Income								
Gross Monthly Income		Borrower		Co-Borrower			Total	
Base Earnings		\$		\$			\$	
Overtime		\$		\$			\$	
Bonuses		\$		\$			\$	
Commissions		\$		\$			\$	
Dividends/Interest		\$		\$			\$	
Net Rental Income		\$		\$			\$	
Other (before completing, see Notice below)		\$		\$			\$	
		\$		\$			\$	
Total		\$		\$			\$	
Notice: Income from Alimony, Child Support or Maintenance Payments need not be revealed if the Borrower or Co-Borrower does not choose to have it considered for repaying this loan.								
B/C	Description of Other Income						Monthly Amount	
							\$	
							\$	
Assets								
Cash Accounts								
Name of Institution			Account Type		Account Number		Balance	
							\$	
							\$	
							\$	
							\$	
Stocks & Bonds					Life Insurance			
Number of Shares & Description			Value		Face Value		Cash Value	
			\$		\$		\$	
			\$		\$		\$	
Vehicles			Other Assets					
Make and Model		Year	Value	Description			Value	
			\$				\$	
			\$				\$	
Real Estate Owned								
Property Address (enter S if sold, PS if pending sale or R if rental being held for income)		Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes, Misc.	Net Rental Income
			\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$
		Totals	\$	\$	\$	\$	\$	\$
Total Assets							\$	
Liabilities								
List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary.								
Purpose	(A) – Applicant, (CA) – Co-Applicant, (JT) - Jointly			Account Number	Monthly Payment	Unpaid Balance		
	Name and Address of Creditor							
					\$	\$		
					\$	\$		
					\$	\$		
					\$	\$		
					\$	\$		
Total Debts					\$	\$		
Agreement								

The undersigned acknowledges that the loan requested by this application will be secured by a mortgage or deed of trust on the property described herein, and represent that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and are made for the purpose of obtaining the loan. By signing below, I authorize you to check my credit and employment history, to have a consumer credit report prepared on me for the purpose of evaluating this application for credit, and to answer questions others may ask you about my credit record with you. I understand that I must update this credit information at your request or if my financial condition changes. The original or a copy of this application will be retained by the lender, even if the loan is not granted.

I acknowledge receipt of the Home Equity Brochure and the lender's Home Equity disclosure statement on today's date.

Borrower

Date

Co-Borrower

Date

This application was taken by: ☐ Face-to-face interview    ☐ Mail    ☐ Telephone    ☐ Internet                      Date Application Received: \_\_\_\_\_

Interviewer Name: \_\_\_\_\_ Interviewer Signature \_\_\_\_\_ NMLS: \_\_\_\_\_