

## **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 5 years. 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. At the end of five years the outstanding principal balance will be amortized up to 15 years at a variable rate of interest, subject to a minimum payment requirement of \$100.00 per month.

**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 \$30.00 and \$500.00. The \$250.00 origination fee will be waived by lender if the line remains open for 24 months.

**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:** 5.00% is a recent annual percentage rate that has been in effect under the plan. 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 5.50% during the 5-year term of your loan, you would make 59 payments varying in amount from \$42.19 and \$46.71 and a final payment of \$10,045.83. Note, in this example, the minimum monthly payment amount would be \$50.00, with any excess over the minimum interest payment being applied to the outstanding principal balance.

**-VARIABLE RATE OPTION FOR DRAW PERIOD-**

**Annual Percentage Rate:** The **Annual Percentage Rate** for the repayment period is determined in the manner described below and does not include costs other than interest.

**Variable Rate:** The repayment period of this credit facility will have a variable rate feature. The **Annual Percentage Rate** for the repayment period may change if the Index Rate (as defined below) changes. The Index Rate shall be: The U.S. "Prime Rate" as is posted periodically in the Wall Street Journal. The Prime Rate is defined as the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks.

This Index Rate is readily available to Borrower, and is verifiable by Borrower at any of Lender's offices. The changes in the Index Rate are beyond the control of Lender. If the Index Rate becomes unavailable, Lender will choose another index which is also readily available and verifiable by Borrower and which is beyond Lender's control. Lender may also change the Margin (as defined below) used as long as the historical fluctuations in the two indices were substantially similar (if the new index has been in existence) and as long as the new index and margin will produce an **Annual Percentage Rate** similar to the rate that was in effect at the time the Index Rate became unavailable. If this happens, the substitute index will, for the purposes of this Agreement, be considered the "Index Rate".

**Initial Rate:** The initial **Annual Percentage Rate** may not be based on the index and margin. In such cases the initial rate will be in effect for 12 months.

**Margin:** The **Annual Percentage Rate** on this Account shall be calculated at a variable rate equal to the Index Rate plus a margin.

**Rate Changes:** If the Index Rate increases or decreases the corresponding **Annual Percentage Rate** and Periodic Rate will increase or decrease unless the minimum or maximum **Annual Percentage Rate** has been reached. Borrower's Payment may also increase or decrease accordingly. The **Annual Percentage Rate** will apply to Borrower's Account balance as of the effective date of the increase or decrease as well as to future Advances. The Periodic Rate and corresponding **Annual Percentage Rate** resulting from a change in the Index Rate will adjust annually.

**Minimum/Maximum Rate:** If the loan is not in default, and subject to applicable law, the minimum **Annual Percentage Rate** under this Agreement shall not be less than 4% per annum. The maximum **Annual Percentage Rate** under this Agreement shall not exceed 16.00% per annum, or the maximum **Annual Percentage Rate** Lender is permitted to charge by law, whichever is less.

**Maximum Rate and Payment Example:** If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum annual percentage rate of 16.00% would be \$135.89. The maximum annual percentage rate could be reached one year following the date of the note.

**Annual Rate Adjustment Caps:** None. The interest rate will fluctuate based on the index and the margin as described above.

**Periodic Statements.** Each billing cycle, Lender will forward to Borrower at the address indicated above a periodic statement of the Account. The periodic statement will include a summary of all transactions on the Account during the billing cycle, the previous balance, advances, payments and credits, finance charges, interest rate, the ending balance, and will specify the Minimum Payment amount and date that payment is due.

**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	Monthly P&I Payment
01/05	5.25	1.00	6.25	\$52.08	\$80.39***
01/06	7.25	1.00	8.25	\$68.75	\$91.29***
01/07	8.25	1.00	9.25	\$77.08	\$97.01***
01/08	7.25	1.00	8.25	\$68.75	\$91.29***
01/09	3.25	1.00	4.25	\$35.42**	\$75.23***
01/10	3.25	1.00	4.25	\$35.42**	\$75.23***
01/11	3.25	1.00	4.25	\$35.42**	\$75.23***
01/12	3.25	1.00	4.25	\$35.42**	\$75.23***
01/13	3.25	1.00	4.25	\$35.42**	\$75.23***
01/14	3.25	1.00	4.25	\$35.42**	\$75.23***
01/15	3.25	1.00	4.25	\$35.42**	\$75.23***
01/16	3.50	1.00	4.50	\$37.50**	\$76.50***
01/17	3.75	1.00	4.75	\$39.58**	\$77.78***
01/18	4.50	1.00	5.50	\$45.83**	\$81.71***
01/19	5.50	1.00	6.50	\$54.17(B)**	\$87.11***

\* 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.

\*\*\*The minimum payment due during the repayment period is \$100.00 per month. You will be required to pay the outstanding balance at the end of 5 years based on a 15 year amortization or \$100.00 per month whichever is greater.

(B) Your 60<sup>th</sup> monthly payment (due 5 years from the date of the note) could be \$10,054.17.

**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 on the following date.**



# CONSUMER LOAN APPLICATION

This application is designed to be completed by the borrower(s) with the lender's assistance.

Check One:  Individual. Relying solely on Borrower's income.  
 Joint. Borrower(s) intend to apply for joint credit. (initials) \_\_\_\_\_

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.

### Lender

**Lincoln Federal Savings Bank of Nebraska**  
1101 N Street, Lincoln, NE 68508

Loan Origination Company: **422057**  
Loan Originator: Lorna Walker: **938505**

### 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 Name(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	Date of Birth	Phone Number	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	
Phone Number	Years Employed	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? If yes, please explain.		Are you a party to any lawsuits? 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? If yes, what name?		Did you ever have credit in any other name? 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	

Income			
Gross Monthly Income	Borrower	Co-Borrower	Total
Base Earnings	\$	\$	\$
Overtime	\$	\$	\$
Bonuses	\$	\$	\$
Commissions	\$	\$	\$
Dividends/Interest	\$	\$	\$
Net Rental Income	\$	\$	\$
Other (before completing, see Notice below)	\$	\$	\$
	\$	\$	\$
<b>Total</b>	\$	\$	\$

**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
		\$	\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$	\$
<b>Totals</b>		\$	\$	\$	\$	\$	\$

**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				
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
<b>Total Debts</b>				\$	\$

**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: \_\_\_\_\_