

**IMPORTANT TERMS
OF OUR
HOME EQUITY LINE OF CREDIT
(Prime)**

Lender:
Marblehead Bank
21 Atlantic Avenue
Marblehead, MA 01945

This disclosure contains important information about our home equity line of credit. You should read it carefully and keep copy for your records.

Availability of Terms: All the terms described below are subject to change.

If these terms change (other than the Annual Percentage Rate) and you decide 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, 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 initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence of specified events.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.

Minimum Payment Requirements: You can obtain advances of credit (the "draw period") for 120 months. During Draw Period, payments will be due monthly. Your minimum periodic payment will be equal to the greater of the accrued interest as of the closing date of each billing statement or \$25.00, unless your unpaid balance is less than the latter amount, in which case your minimum payment will be that amount.

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 months (the "repayment period").

During the repayment period of 120 months, payments will be due monthly. Your minimum monthly payment will equal 1/120th of the principal balance that was outstanding at the end of the draw period plus finance charges that have accrued on the outstanding balance during the billing cycle.

Minimum Payment Example: If you made only the minimum monthly payments and took no other credit advances, it would take 20 years to pay off a credit advance of \$10,000.00 at an **Annual Percentage Rate of 8.50%**. During the Draw Period, you would make 120 monthly payments of \$70.83. During the Repayment Period, you would make 119 monthly payments varying between \$154.16 and \$84.51. This would be followed by one final payment of \$83.92.

Fees and Charges: To open and maintain an account, you must carry insurance on the property securing your account and pay the following fees to third parties:

*Third party fees paid by Marblehead Bank if line is \$25,000.00 or greater.	
Appraisal Fee:	\$15.45e*
Credit Report:	\$34.35e*
Flood Determination:	\$14.00e*
Closing Agent:	\$295.00e*
Recording Fees:	\$205.00e*
Insurance Service:	\$90.00e*

You may also be required to pay the following fees to third parties. These fees generally total between \$105.00 and \$1,658.00.*	
Lien Certificate (1 st Lien):	\$100.00e (minimum)
Tax Service Fee (1 st Lien):	\$98.00e (minimum)
Title Insurance (1 st lien):	\$100.00e (minimum)
Add'l Title Examination(1 st lien):	\$35.00e
Review & Prepare Trustee Certificate:	\$350.00e
Record Trustee Certificate:	\$105.00e
Add'l Closing Agent Fee (Outside Refi- Non MB):	\$150.00e
Add'l Appraisal Fee:	\$485.00e (minimum)
Record Discharge:	\$105.00e (each)
Track Discharge/FexEx/Wire Fee:	\$125.00e (each)
e-File Fee:	\$5.00e (minimum)

***If this HELOC is being used for a purchase there may be additional fees due at closing. Please contact your Loan Originator if you have any questions.**

Late Charge: If payment is not received by the end of **15** calendar days after the date it is due a late charge of **\$10.00** or **10% of principal balance (whichever is less)** will be assessed.

Termination Fee: Termination Fee of **\$500.00** is payable if you cancel your account within **three years** after the date your HELOC Account is opened.

Minimum Draw Requirement: The minimum credit advance that you can receive is \$500.00.

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

Variable Rate Feature: The line 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 Wall Street Journal published prime rate (“Index”)** (if published in a range, the highest number in the range will be used) and is published in the **Wall Street Journal**.

Ask us for the current index value, margins, and Annual Percentage Rates. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The Annual Percentage Rate can change monthly. The maximum Annual Percentage Rate that can apply is 18.000%. Apart from this rate "cap," there is no limit on the amount by which the rate can change during any one-year period.

Maximum Rate and Payment Examples: If the Annual Percentage Rate during the draw period equaled the 18.000% maximum and you had an outstanding balance of \$10,000, the minimum monthly payment would be \$150.00. The maximum Annual Percentage Rate could be reached the first time your Annual Percentage Rate Changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately.

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 18.000% would be \$233.34. This Annual Percentage Rate could be reached at the beginning of the Repayment Period.

Historical Example: The following table shows how the Annual Percentage Rate and the minimum monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the rate in effect as of the last business day of January for each year. While only one payment amount per year is shown, payments would have varied during each year of the draw period.

The table assumes that no additional credit advances were taken, 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 (%)	Annual Percentage Rate (%)	Monthly Minimum Payment (\$)
Draw Period	2009	3.25%	0.00%	3.25%	\$ 27.08
	2010	3.25%	0.00%	3.25%	\$ 27.08
	2011	3.25%	0.00%	3.25%	\$ 27.08
	2012	3.25%	0.00%	3.25%	\$ 27.08
	2013	3.25%	0.00%	3.25%	\$ 27.08
	2014	3.25%	0.00%	3.25%	\$ 27.08
	2015	3.25%	0.00%	3.25%	\$ 27.08
	2016	3.50%	0.00%	3.50%	\$ 29.17
	2017	3.75%	0.00%	3.75%	\$ 31.25
	2018	4.50%	0.00%	4.50%	\$ 37.50
Repayment Period	2019	5.50%	0.00%	5.50%	\$ 129.17
	2020	4.75%	0.00%	4.75%	\$ 118.96
	2021	3.25%	0.00%	3.25%	\$ 105.00
	2022	7.50%	0.00%	7.50%	\$ 127.08
	2023	8.50%	0.00%	8.50%	\$ 125.83

If first mortgage and HELOC exceeds 80% of initial property valuation of a single-family dwelling or exceeds 75% of initial property valuation of a multi-family dwelling or condominium, an appraisal by an approved bank appraiser will be required.