

G-15(B) Account-Opening Disclosure Sample (Home-equity Plans)

Joe Smith & Jane Doe
1234 Main Street,
Anytown, ST 12345

January 9, 2012
XXX Bank
Loan Officer: 12345 1234
Loan Number: 123-12-1234-556

Borrowing Guidelines	
Credit Limit	\$80,000
First Transaction	You must borrow at least \$10,000 when you open the account.
Minimum Transaction	After the initial transaction, each transaction you make must be at least \$300 .
Minimum Balance	You must keep a balance of at least \$500 .

Annual Percentage Rate	
Annual Percentage Rate (APR)	4.00% introductory APR for the first six months. After that, your APR will be 5.25% . This is a <u>variable rate</u> that will change monthly based on the Prime Rate plus 1.00%. There is no limit on how much the rate can change in one year.
Maximum APR	24.99%
Historical Changes to Prime Rate	Over the past 15 years, the Prime Rate has varied between 4.25% and 10.00%.

Fees	
Total Account Opening Fees	\$1,740 (itemized below under "More Information about Fees")
Annual Fee	\$50
Early Termination Fee	\$500 or .125% of the credit limit, whichever is greater, if you close your account within three years.
Other Fees	See below under "More Information about Fees."

Borrowing and Repayment Terms	
Length of Credit Plan	20 years, divided into two periods: <ul style="list-style-type: none">• Borrowing Period (Years 1-10): During this time you can borrow money.• Repayment Period (Years 11-20): During this time you cannot borrow money. You must make a minimum monthly payment during both periods.
Balloon Payment	If you make only the minimum payment each month you will not pay off your entire balance by the end of the repayment period. At that time, you will have to pay the remaining balance in a single payment, known as a "balloon payment."

How Your Minimum Monthly Payments Are Determined	
• Borrowing Period (Years 1-10):	Your minimum monthly payment will cover only interest and will not pay down your balance.
• Repayment Period (Years 11-20):	Your minimum monthly payment will cover interest plus 1% of the balance.

Sample Payments			
The table shows examples of your first monthly payments at the current and maximum APRs if you borrow \$80,000 when you open your account and do not borrow any more money. No matter what your rate is, you would owe a balloon payment of \$23,950.43 if you made only minimum monthly payments.			
These are not your actual payments. Your actual payment each month will depend on the amount that you have borrowed and the interest rate that month.			
APR	Borrowing Period (Years 1-10) First Payment	Balance at start of Repayment Period	Repayment Period (Years 11-20) First Payment
5.25% (current)	\$350.00	\$80,000.00	\$1,150.00
24.99% (max.)	\$1,666.00	\$80,000.00	\$2,466.00

More Information about Fees	
Account Opening Fees	
• Loan Origination	\$350
• Loan Discount	\$800
• Underwriting	\$295
• Appraisal	\$295
Penalty Fees	
• Late Payment	Either \$15 or 5% of the minimum monthly payment, whichever is greater.
• Over-the-Credit Limit	\$20
• Balance below \$500	\$25 if your balance falls below \$500.
• Returned Payment	\$30
Transaction Fees	
• Transaction less than \$300	4% of each transaction that is less than \$300 . This fee does not apply to credit card transactions.
<i>Other fees may also apply; see your account agreement for details.</i>	

Fixed Interest Rate Option
During the borrowing period, you have the option to borrow at a fixed interest rate an amount up to your available credit limit. See account agreement for details.

Risks	
You Could Lose Your Home	Your credit plan will be secured by your home. This means you could lose your home if you cannot repay the money you owe, or otherwise default.
You May Not Be Able to Borrow From Your Line of Credit	Under certain circumstances, we can: <ul style="list-style-type: none"> • Terminate your line of credit, make you pay the outstanding balance in one payment, and charge you fees upon termination; • Not allow you to borrow any more money, even if you have borrowed less than your credit limit; • Lower your credit limit; and • Make other changes to the plan. See your account agreement for details.
The Interest You Pay May Not Be Tax-Deductible	If you borrow more than your home is worth, the interest on the extra amount may not be deductible for federal income tax purposes. Consult a tax advisor to find out whether the interest you pay is deductible.

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

Paying Interest: We will begin charging interest on each transaction on the date the transaction is posted to your account.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

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- ➔ **You have no obligation to accept these terms.** Use this statement to confirm that these are the terms for which you applied.
 - ➔ **Ask questions if you do not understand any part of this form.**
 - ➔ **For more information, go to www.xxx.gov.**

By signing below, I acknowledge receipt of this form.

Borrower's Signature

Date