

**CHARLES RIVER BANK  
HOME EQUITY LINE OF CREDIT IMPORTANT TERMS**

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 the terms disclosed below are subject to change.

If these terms change (other than the annual percentage rate) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you have 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** – Under certain circumstances, we can (1) terminate your line and require you to pay us the entire outstanding balance in one payment (2) refuse to make additional extensions of credit; and (3) reduce your credit limit. If you ask, we will give you more specific information concerning when we can take these actions.

**Minimum Payment Requirements** – You can obtain advances of credit for (10) years (the “draw period”). During the draw period, payments will be due monthly. Your minimum monthly payment will equal all accrued finance charges. After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over ten (10) years, (the “repayment period”). During the repayment period, payments will be due monthly. Your minimum monthly payment will be equal to 1/120<sup>th</sup> of the principal balance that was outstanding at the end of your draw period plus the finance charges that have accrued on the remaining balance; however, in no event shall the principal and interest payment be less than \$50.00 monthly.

**Fees and Charges** – To open and maintain a line of credit, you must pay the following fees to us:

Points:	\$0.00
Appraisal Fee	\$0.00
Credit Report Fee	\$0.00
Flood Certification Fee	\$0.00
Flood Monitoring Fee	\$0.00
Settlement Fee:	\$0.00
Recording Fee:	\$0.00

**Total Points and Fees: \$0.00**

Ask us for information about the Current Interest Rate, Index and Margin, discount and annual percentage rate.

**Late Charge:** In the event that any payment due hereunder is not paid in full within 15 days of its due date, the Borrower must pay to the Lender a late charge equal to the lesser of \$10.00 or 10% of the outstanding balance.

Under certain circumstances, you may be required to pay a fee to a third party for a property valuation or a full appraisal. The approximate cost of this report is between \$25.00 and \$525.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Property Insurance:** You will be required to carry property insurance on the property that secures this line of credit.

**Minimum Draw Amounts-** The minimum credit advance you can receive is \$500.00.

**Minimum Line of Credit Amount:** \$10,000.00

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

**Variable Rate Information** – The line has a variable rate feature, and an annual percentage rate (corresponding to the periodic rate) and the minimum payments 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 plus a margin. The index is the Prime Rate published in the Money Rates section of the Wall Street Journal (if more than one Prime Rate is published, the higher rate shall be used), as most recently published and will be adjusted by the Lender at the beginning of each month.

Ask for the current index values and annual percentage rate and current discount rates offered. After you open a credit line, rate information will be provided on periodic statements that we will send you.

**Rate Changes** – The annual percentage rate can change at the beginning of each monthly billing cycle. The maximum ANNUAL PERCENTAGE RATE that can apply is 18.00%. For the Home Equity Line of Credit program that has the -1.00% margin, there is a minimum ANNUAL PERCENTAGE RATE of 3.00%. Except for this 3.00% and 18.00% “caps”, there are no limits on the amount by which the rate can change during any one year period.

**Maximum Rate and Payment Examples** – If you had an outstanding balance of \$10,000.00 during the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18.00% would be \$138.08. This annual percentage rate could be reached during the first month of the draw period.

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 18.00% would be \$221.41. The annual percentage rate could be reached during the first month of the repayment period.

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**Regular Home Equity Line of Credit with a rate of Wall Street Journal Prime -0.50% margin**

**\$10,000 line to \$250,000 line**

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**Minimum Payment Example** – If you made only minimum monthly payments and took no other credit advances, it would take twenty (20) years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 6.25%. During that period you would make 120 monthly payments varying between \$47.94 and \$53.02 followed by 120 monthly payments varying between (\$131.27 and \$136.35) and (\$83.72 and \$83.77).

**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 FIFTEEN (15) years. The index values are from the last business day in April of each year. While only payments amount per year is shown, payments would have varied during each year. Interest calculation is based upon a 31 day month and a 365 day year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made each month, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

YEAR	INDEX (%)	MARGIN (%)	ANNUAL PERCENTAGE RATE*	MINIMUM PERIODIC PAYMENTS
2012	3.25%	-0.50%	2.75%	23.36
2013	3.25%	-0.50%	2.75%	23.36
2014	3.25%	-0.50%	2.75%	23.36
2015	3.25%	-0.50%	2.75%	23.36
2016	3.50%	-0.50%	3.00%	25.48
2017	4.00%	-0.50%	3.50%	29.73
2018	4.75%	-0.50%	4.25%	36.10
2019	5.50%	-0.50%	5.00%	42.47
2020	3.25%	-0.50%	2.75%	23.36
2021	3.25%	-0.50%	2.75%	23.36
2022 X	3.50%	-0.50%	3.00%	108.81
2023	8.00%	-0.50%	7.50%	140.66
2024	8.50%	-0.50%	8.00%	137.69
2025	7.50%	-0.50%	7.00%	124.95
2026	6.75%	-0.50%	6.25%	115.18

\* The Annual Percentage Rate has been adjusted to reflect any applicable interest rate caps

X Beginning of the repayment period