

FOSTER BANK (Lender)
5005 NEWPORT DR.
ROLLING MEADOWS, IL 60008
Telephone: (773) 588-3355 Fax
Number: (773) 588-7505
www.fosterbank.com

HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

1 AVAILABILITY OF TERMS. All of the terms described 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.

2 SECURITY INTEREST. We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

3 POSSIBLE ACTIONS. Under certain circumstances, we can:

- A. Terminate your line of credit, require you to pay us the entire outstanding balance in one payment, and charge you certain fees;
- B. Refuse to make additional extensions of credit; and
- C. reduce your credit limit.

We can terminate your line of credit, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- a. You engage in fraud or material misrepresentation in connection with the line of credit;
- b. You fail to make a payment as required by the agreement; or
- c. 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:

- a. The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- b. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- c. You are in default of a material obligation of the agreement;
- d. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- e. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- f. The maximum annual percentage rate is reached.

4 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 equal to the following;

* The amount of accrued finance charge on the last day of the billing cycle

The minimum payment amount will be rounded down to the nearest \$.01.

I agree to pay \$25.00 for the Billing Cycle if the accrued and earned finance charge is less than this amount.

5 MINIMUM PAYMENT EXAMPLE. If you made only the minimum monthly payment and took no other credit advances, it would take 5 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 3.250%. During that period, you would make 59 payments of \$37.50 with a final payment of \$10,037.50.

6 FEE AND CHARGES. To open and maintain a line of credit, you must pay the following fees to us: *

Annual Fee: \$75.00 (due annually)

You must carry insurance on the property that secures the line of credit.

7 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 any fee you may have already paid.

8 MINIMUM DRAW REQUIREMENTS. The minimum credit advance that you can receive is \$1,000.00.

9 TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

10 VARIABLE RATE FEATURES. This line of credit has a variable rate features 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 highest rate on corporate loans posted by at least 75% of the USA's thirty largest banks known as the Wall Street Journal Prime Rate and is published in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

