



HOME EQUITY LINE OF CREDIT APPLICATION

DATE _____, 20____

IMPORTANT: Read these directions before completing this Application

Check the Appropriate Box

- If you are applying for individual credit in your own name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete all Sections **except Section B**.
- If you are applying for joint credit with another person, complete all Sections providing information in Section B about joint applicant, OR request joint applicant to complete a separate personal loan application or personal financial statement.

I intend to apply for Joint Credit _____ Applicant _____ Co-Applicant

- If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as the basis for repayment of the credit requested, complete all Sections to the extent possible, providing information in Section B about the person whose alimony, support, or maintenance payments or income or assets you are relying.

Right to Receive a Copy of Appraisal Disclosure (ECOA)

This notice is being provided to you pursuant to 12 CFR § 1002.14 (a). For loans or Home Equity Lines of Credit secured by a residential dwelling, we may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

By signing this application you hereby acknowledge reading and understanding all of the information disclosed above and receiving a copy of this notice on the date indicated on this application.

TYPE OF CREDIT REQUESTED:				
AMOUNT REQUESTED: \$	FOR HOW LONG	PAYMENT DATE DESIRED	WANT TO REPAY <input type="checkbox"/> MONTHLY	PURPOSE OF LOAN:

SECTION A- INDIVIDUAL			SECTION B - OTHER PARTY		
Name(First,Middle,Last)	Date of Birth	Education Yrs.	Name(First,Middle,Last)	Date of Birth	Education Yrs.
Present Address: Street	Number of Years: _____ Own <input type="checkbox"/> Rent <input type="checkbox"/>		Present Address: Street	Number of Years: _____ Own <input type="checkbox"/> Rent <input type="checkbox"/>	
City/State/Zip			City/State/Zip		
Former address if less than 2 years at present address Street			Former address if less than 2 years at present address Street		
City/State/Zip			City/State/Zip		
Years at former address _____ Own <input type="checkbox"/> Rent <input type="checkbox"/>			Years at former address _____ Own <input type="checkbox"/> Rent <input type="checkbox"/>		
Subject Property Address: Street City/State/Zip					
Marital Status _____ Married _____ Separated _____ Unmarried (incl. Single, Divorced, Widowed)	Dependents other than listed by other Party No. _____ Ages _____		Marital Status _____ Married _____ Separated _____ Unmarried (incl. Single, Divorced, Widowed)	Dependents other than listed by other Party No. _____ Ages _____	
Name and Address of Employer			Name and Address of Employer		
Years employed in this line of Work or Profession? _____ yrs. Years on this Job _____ Self Employed <input type="checkbox"/>			Years employed in this line of Work or Profession? _____ yrs. Years on this Job _____ Self Employed <input type="checkbox"/>		
Position/Title Type of Business			Position/Title Type of Business		
Salary \$ Other Income* \$			Salary \$ Other Income \$		
Social Security No.	Home Phone	Business Phone	Social Security No.	Home Phone	Business Phone
Name & Address of Nearest Relative Not Living With You:			Name & Address of Nearest Relative Not Living With You:		

*Exclude Alimony and child support separate maintenance income if you do not wish this income to be considered as a basis for repaying any obligation.

ASSETS			LIABILITIES			
TYPE	DESCRIBE	VALUE	TYPE	DESCRIBE	PAYMENT	BALANCE
Checking		\$	Mortgage/Rent		\$	\$
Savings		\$	2 nd Mortgage		\$	\$
Stock		\$	Credit cards		\$	\$
Mutual Funds		\$	Unsecured loans		\$	\$
Home		\$	Car Loan		\$	\$
Autos		\$	Other		\$	\$
Other		\$	Other		\$	\$

MISCELLANEOUS	Y	N	MISCELLANEOUS	Y	N
All prior yrs Fed & State tax rtns filed?	<input type="checkbox"/>	<input type="checkbox"/>	Any claims on prior yrs taxes?	<input type="checkbox"/>	<input type="checkbox"/>
Any outstanding judgments?	<input type="checkbox"/>	<input type="checkbox"/>	Ever declare bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
Are you a party to a legal suit?	<input type="checkbox"/>	<input type="checkbox"/>	Pay alimony, child support or sep maint?	<input type="checkbox"/>	<input type="checkbox"/>
Are you a US citizen?	<input type="checkbox"/>	<input type="checkbox"/>	If no, are you a resident alien?	<input type="checkbox"/>	<input type="checkbox"/>
Property foreclosed on in last 7yrs?	<input type="checkbox"/>	<input type="checkbox"/>	Co maker or guarantor on loan? If yes, with whom?	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SUBMIT MATERIALS DETAILED ON THE CHECKLIST TO COMPLETE YOUR APPLICATION

The information contained in this statement is provided to Capital Bank for the purpose of obtaining, or maintaining credit on behalf of the undersigned. Capital Bank may keep this application whether or not the loan request is approved. I/We understand that the Bank is relying upon the information provided herein (including the designation made as to ownership or property) in deciding to grant or continue credit. I/We represent and warrants that the information provided is true and complete and that the Bank may consider this statement as continuing to be true and correct until a written notice of a change is given by the undersigned. The Bank is authorized to make all inquires deemed necessary to verify the accuracy of the statements made herein and to determine my/our creditworthiness. The Bank is authorized to answer questions about its credit experience with me/us. If approved for a loan, Bank may verify information the Applicant provides to Bank either before or after the loan is closed. The applicant authorizes a financial institution(s) with whom the Applicant has current/existing banking relationships to provide Bank with any and all information and documentation that the Bank may request. By signing this application I/we understands, represents and agrees that if this application is approved, the written loan documents will represent the final agreement between the parties, there will be no unwritten oral agreements between the parties, and the written loan documents may not be contradicted later by evidence of any prior, contemporaneous, or subsequent oral agreements or understandings of the parties. I/We understand that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts on the application as applicable under the provisions of Title 18, USC § 1014.

SIGNATURE _____ DATE _____ SIGNATURE **(I acknowledge I am a joint applicant)** _____ DATE _____



One Church Street, Suite 300

Rockville, MD 20850

301-468-8848

IMPORTANT INFORMATION REGARDING YOUR HOME EQUITY LINE OF CREDIT APPLICATION

In order to process your request for a Home Equity Line of Credit, the following information must be submitted with your completed and signed application:

- Most Recent 2 Months Paystubs for all salaried Applicants**
- Most Recent 2 Years Personal Federal Income Tax Returns including all schedules**
- Most Recent 2 Years Business Federal Income Tax Returns including all schedules** (For Self Employed Applicants)
- Most Recent 2 Months Bank Account Statements**
- Most Recent Lender Statement for any existing Mortgage Loans**
- Copy of Current Declaration Page from Homeowners Insurance Policy**

E-SIGN AGREEMENT

INSTRUCTIONS TO CUSTOMER:

PLEASE CLICK THE "I ACCEPT" BUTTON AT THE END OF THIS DISCLOSURE TO ACCEPT E-DELIVERY OF REQUIRED DISCLOSURES

This **CAPITAL Bank** Online E-Sign Agreement ("Agreement") contains important information about Electronic delivery of required disclosures to you for banking products and services. You should keep a copy of this Agreement for your Files. An email return/reply to the Bank of this E-Sign Agreement is required to indicate your acceptance of the **Terms of this Agreement described below**. An in person confirmation, phone call, or written reply other than from the email you wish to use is by law not adequate to confirm acceptance of this Agreement.

This **Agreement** applies to each account you select now, or in the future ("Accounts"), for which disclosures are required. The words "**Bank**", "**we**", "**us**", and "**our**" mean "Capital Bank", and the words "**you**" and "**your**" mean you the individual(s) or entity that is identified on the Accounts as the **Owner**, or **Authorized Signer**, or **Holder** on the Accounts.

Scope of Disclosures Provided in Electronic Form

When you respond by email and authorize electronic delivery of disclosures, you agree that we may provide you with any communications relating to your Accounts in electronic format, and we may discontinue sending paper communication to you, unless and until you withdraw your consent as described below. Your consent to receive electronic communications includes but is not limited to:

-Initial disclosures or agreements for your Accounts &/or payment features

Privacy policies or disclosures

All disclosures we provide to you in electronic form will be accessed through a secure email connection if they contain confidential information; other disclosures that do not contain confidential information may be sent by unencrypted email. We may at our option or your request send you a paper disclosure as well as the electronic version.

All disclosures in either electronic or paper format from us to you will be considered "in writing". You should print or download a **Copy** of this **Agreement** for your records. Please print electronic documents you file.

In the event our system is unavailable, We reserve the right, but assume no obligation, to provide a paper (instead of electronic) copy of any disclosure statement that we are required to provide to you.

Hardware and Software Requirements

In order to access, view, print and retain electronic disclosures that we make available to you, you must have:

- A **Personal Computer (PC)** with connections to the internet capable of receiving, accessing, displaying, and either -printing or storing- statements received in electronic format from the Bank.
- A current version of computer operating software and internet browser.
- An Internet Browser that supports **128 bit** encryption.
- A valid **e-mail account** (with recommended anti-virus & anti-spyware).
- Sufficient electronic storage capacity on your computer's hard drive.

Disclosures are provided in **PDF format**. To download the most current version of "Adobe Acrobat" go to www.adobe.com for the website or if need to add "Acrobat Reader" go to www.adobe/products/acrobat/ and Download.

The Bank will notify you if there is a material change in hardware or software requirements that creates a risk that you will not be able to access or retain subsequent disclosures. If you are unable to update your system you will then have the right to withdraw your consent to receive Disclosures without incurring any fees or consequences not previously disclosed and request to be placed on Hard Copy.

How to Update Your Records

It is your responsibility to provide us with a true, accurate and complete: e-mail address, contact and other information related to this Agreement and your Accounts, and to maintain and update promptly any changes in this information. You may update such information by calling us by phone at 301-468-8848 or by emailing us at loanoperations@capitalbankmd.com. You may also mail the bank a Written Notice but we request you date and sign the form.

Requesting Paper Copies

We will not send you paper copies of any Disclosures where you have consented to receive electronic versions of the Disclosures unless requested in writing. You can print a paper copy, or inquire on of any Disclosure yourself. If you need to request a paper copy, contact us by calling 301-468-8848. We will not assess a service charge for the delivery of paper copies of any Disclosures you have elected to receive electronically.

How to Withdraw Your Consent

You may withdraw your consent to receive communications in electronic form for any of your Accounts at any time by calling us at 301-468-8848. Or mail a Request to us at Capital Bank, One Church St., Ste. 300, Rockville, MD 20850.

Termination

We reserve the right, in our sole discretion, to discontinue the provision of your electronic Disclosures, or to terminate or change the terms and conditions by which we provide Disclosures. We will provide you with notice of any termination or change as required by law. There is no fee to withdraw this Agreement.

CLICK THE BELOW BUTTON TO ACCEPT E-DISCLOSURES

Your e-mail program will launch, send the email as it is addressed.

What you should know about home equity lines of credit

This booklet was initially prepared by the Board of Governors of the Federal Reserve System. The Consumer Financial Protection Bureau (CFPB) has made technical updates to the booklet to reflect new mortgage rules under Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). A larger update of this booklet is planned in the future to reflect other changes under the Dodd-Frank Act and to align with other CFPB resources and tools for consumers as part of the CFPB's broader mission to educate consumers. Consumers are encouraged to visit the CFPB's website at consumerfinance.gov/owning-a-home to access interactive tools and resources for mortgage shoppers.

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1. Introduction

If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

1.1 Home equity plan checklist

Ask your lender to help you fill out this worksheet.

Basic features for comparison	Plan A	Plan B
Fixed annual percentage rate	%	%
Variable annual percentage rate	%	%
Index used and current value	%	%
Amount of margin		
Frequency of rate adjustments		
Amount/length of discount (if any)		
Interest rate cap and floor		
Length of plan		
Draw period		
Repayment period		
Initial fees		
Appraisal fee		
Application fee		
Up-front charges, including points		
Closing costs		
Repayment terms		
During the draw period		
Interest and principal payments		
Interest-only payments		
Fully amortizing payments		
When the draw period ends		
Balloon payment?		
Renewal available?		
Refinancing of balance by lender?		

2. What is a home equity line of credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because a home often is a consumer's most valuable asset, many homeowners use home equity credit lines only for major items, such as education, home improvements, or medical bills, and choose not to use them for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (say, 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest) by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line.

There may be other limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, \$300) or keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

2.1 What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember, though, that the APR for a home equity line is based on the interest rate alone and will not reflect closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

2.1.1 Variable interest rates

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time, plus a "margin," such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an "introductory" rate that is unusually low for a short period, such as six months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or let you convert all or a portion of your line to a fixed-term installment loan.

2.2 Costs of establishing and maintaining a home equity line

Many of the costs of setting up a home equity line of credit are similar to those you pay when you get a mortgage. For example:

- A fee for a property appraisal to estimate the value of your home;
- An application fee, which may not be refunded if you are turned down for credit;
- Up-front charges, such as one or more "points" (one point equals 1 percent of the credit limit); and
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. And if you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all of the closing costs.

2.3 How will you repay your home equity plan?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But, unlike with typical installment loan agreements, the portion of your payment that

goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of only the interest during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that amount when the payment plan ends.

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. However, some lenders may require you to pay special fees or penalties if you choose to pay more, so check with your lender. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan—whether you pay some, a little, or none of the principal amount of the loan—when the plan ends, you may have to pay the entire balance owed, all at once. You must be prepared to make this “balloon payment” by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10 percent interest rate, your monthly payments would be \$83. If the rate rises over time to 15 percent, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to sell your home in the near future, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also keep in mind that renting your home may be prohibited under the terms of your agreement.

2.4 Line of credit vs. traditional second mortgage loans

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money, repayable over a fixed period. In most cases, the payment schedule calls for equal payments that pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan takes into account the interest rate charged plus points and other finance charges.
- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.

2.4.1 Disclosures from lenders

The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable-rate feature) changes before the plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change. Lenders are also required to provide you with a list of homeownership counseling organizations in your area.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you three days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the three-day period. The lender must then cancel its security interest in your home and return all fees—including any application and appraisal fees—paid to open the account.

The Home Ownership and Equity Protection Act of 1994 (HOEPA) addresses certain unfair practices and establishes requirements for certain loans with high rates and fees, including certain additional disclosures. HOEPA now covers some HELOCs. You can find out more information by contacting the CFPB at the website address and phone number listed in the Contact information appendix, below.

2.5 What if the lender freezes or reduces your line of credit?

Plans generally permit lenders to freeze or reduce a credit line if the value of the home “declines significantly” or when the lender “reasonably believes” that you will be unable to make your payments due to a “material change” in your financial circumstances. If this happens, you may want to:

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a “material change” in your financial circumstances. You may want to get copies of your credit reports (go to the CFPB’s website at consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html for information about how to get free copies of your credit reports) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.
- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. If another lender is willing to offer you a line of credit, you may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

APPENDIX A: Defined terms

This glossary provides general definitions for terms commonly used in the real estate market. They may have different legal meanings depending on the context.

DEFINED TERM

ANNUAL MEMBERSHIP OR MAINTENANCE FEE

An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

ANNUAL PERCENTAGE RATE (APR)

The cost of credit, expressed as a yearly rate. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreements.

APPLICATION FEE

Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.

BALLOON PAYMENT

A large extra payment that may be charged at the end of a mortgage loan or lease.

CAP (INTEREST RATE)

A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. *Periodic adjustment caps* limit the interest-rate increase from one adjustment period to the next. *Lifetime caps* limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

CLOSING OR SETTLEMENT COSTS

Fees paid when you close (or settle) on a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorneys’ fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or a range.

CREDIT LIMIT

The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.

EQUITY	The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.
INDEX	The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. See also Selected index rates for ARMs over an 11-year period (consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf) for examples of common indexes that have changed in the past.
INTEREST RATE	The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual rate.
MARGIN	The number of percentage points the lender adds to the index rate to calculate the adjustable-rate-mortgage interest rate at each adjustment.
MINIMUM PAYMENT	The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.
POINTS (ALSO CALLED DISCOUNT POINTS)	One point is equal to 1 percent of the principal amount of a mortgage loan. For example, if a mortgage is \$200,000, one point equals \$2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller, or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and the total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.
SECURITY INTEREST	If stated in your credit agreement, a creditor, lessor, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement. The property that secures payment of your obligation is referred to as "collateral."
TRANSACTION FEE	Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.
VARIABLE RATE	An interest rate that changes periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

APPENDIX B: More information

For more information about mortgages, including home equity lines of credit, visit consumerfinance.gov/mortgage. For answers to questions about mortgages and other financial topics, visit consumerfinance.gov/askcfpb. You may also visit the CFPB's website at consumerfinance.gov/owning-a-home to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

Housing counselors can be very helpful, especially for first-time home buyers or if you're having trouble paying your mortgage. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search for HUD-approved housing counseling agencies in your area on the CFPB's web site at consumerfinance.gov/find-a-housing-counselor or by calling HUD's interactive toll-free number at 800-569-4287.

The company that collects your mortgage payments is your loan servicer. This may not be the same company as your lender. If you have concerns about how your loan is being serviced or another aspect of your mortgage, you may wish to submit a complaint to the CFPB at consumerfinance.gov/complaint or by calling (855) 411-CFPB (2372).

When you submit a complaint to the CFPB, the CFPB will forward your complaint to the company and work to get a response. Companies have 15 days to respond to you and the CFPB. You can review the company's response and give feedback to the CFPB.

APPENDIX C: Contact information

For additional information or to submit a complaint, you can contact the CFPB or one of the other federal agencies listed below, depending on the type of institution. If you are not sure which agency to contact, you can submit a complaint to the CFPB and if the CFPB determines that another agency would be better able to assist you, the CFPB will refer your complaint to that agency and let you know.

Regulatory agency	Regulated entities	Contact information
Consumer Financial Protection Bureau (CFPB) P.O. Box 4503 Iowa City, IA 52244	Insured depository institutions and credit unions with assets greater than \$10 billion (and their affiliates), and non-bank providers of consumer financial products and services, including mortgages, credit cards, debt collection, consumer reports, prepaid cards, private education loans, and payday lending	(855) 411-CFPB (2372) consumerfinance.gov consumerfinance.gov/complaint
Board of Governors of the Federal Reserve System (FRB) Consumer Help P.O. Box 1200 Minneapolis, MN 55480	Federally insured state-chartered bank members of the Federal Reserve System	(888) 851-1920 federalreserveconsumerhelp.gov
Office of the Comptroller of the Currency (OCC) Customer Assistance Group 1301 McKinney Street Suite 3450 Houston, TX 77010	National banks and federally chartered savings banks/associations	(800) 613-6743 occ.treas.gov helpwithmybank.gov
Federal Deposit Insurance Corporation (FDIC) Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106	Federally insured state-chartered banks that are not members of the Federal Reserve System	(877) ASK-FDIC or (877) 275-3342 fdic.gov fdic.gov/consumers
Federal Housing Finance Agency (FHFA) Consumer Communications Constitution Center 400 7th Street, S.W. Washington, DC 20024	Fannie Mae, Freddie Mac, and the Federal Home Loan Banks	Consumer Helpline (202) 649-3811 fhfa.gov fhfa.gov/Default.aspx?Page=369 ConsumerHelp@fhfa.gov
National Credit Union Administration (NCUA) Consumer Assistance 1775 Duke Street Alexandria, VA 22314	Federally chartered credit unions	(800) 755-1030 ncua.gov mycreditunion.gov
Federal Trade Commission (FTC) Consumer Response Center 600 Pennsylvania Ave, N.W. Washington, DC 20580	Finance companies, retail stores, auto dealers, mortgage companies and other lenders, and credit bureaus	(877) FTC-HELP or (877) 382-4357 ftc.gov ftc.gov/bcp
Securities and Exchange Commission (SEC) Complaint Center 100 F Street, N.E. Washington, DC 20549	Brokerage firms, mutual fund companies, and investment advisers	(202) 551-6551 sec.gov sec.gov/complaint/select.shtml
Farm Credit Administration Office of Congressional and Public Affairs 1501 Farm Credit Drive McLean, VA 22102	Agricultural lenders	(703) 883-4056 fca.gov

**Small Business
Administration (SBA)
Consumer Affairs
409 3rd Street, S.W.
Washington, DC 20416**

Small business lenders

(800) U-ASK-SBA or
(800) 827-5722
sba.gov

Regulatory agency	Regulated entities	Contact information
Commodity Futures Trading Commission (CFTC) 1155 21st Street, N.W. Washington, DC 20581	Commodity brokers, commodity trading advisers, commodity pols, and introducing brokers	(866) 366-2382 cftc.gov/consumer-protection
U.S. Department of Justice (DOJ) Civil Rights Division 950 Pennsylvania Ave, N.W. Housing and Civil Enforcement Section Washington DC 20530	Fair lending and housing issues	(202) 514-4713 TTY-(202) 305-1882 FAX-(202) 514-1116 To report an incident of housing discrimination: 1-800-896-7743 fairhousing@usdoj.gov
Department of Housing and Urban Development (HUD) Office of Fair Housing/Equal Opportunity 451 7th Street, S.W. Washington, DC 20410	Fair lending and housing issues	(800) 669-9777 hud.gov/complaints



HOME EQUITY EARLY AGREEMENT & DISCLOSURE

One Church St., Suite 300
Rockville, Maryland 20850

IMPORTANT TERMS OF OUR HOME EQUITY EARLY AGREEMENT & DISCLOSURE

This disclosure contains important information about our Standard Home Equity Line of Credit (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of 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 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 in the agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happen:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced to fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems). Any change to this Plan will be made in accordance with the law and will apply to amounts you owe when the change becomes effective, as well as to any credit advances made after the date of the change.

FEES AND CHARGES. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
NSF Handling Fee:	\$7.50	At the time a Payment is returned to us for non-sufficient funds
Stop Payment Fee:	\$30.00	At the time you request a Stop Payment
Check Printing Charge:	Free	At the time you order Home Equity Line Checks

Late Charge. Your payment will be late if it is not received by us within **10 days after the "Payment Due Date"** shown on your **periodic statement**. If your payment is late we may charge you 5.000% of the unpaid amount of the payment or \$5.00, whichever is greater.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$1,185.00 and \$3,000.00. Upon request, we will provide you with an itemization of the Fees you will have to pay to third parties.

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: One Hundred Twenty (120) Months (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCES CHARGES. You will make 119 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 10 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 3.750%. During that period, you would make 119 monthly payments ranging from \$28.77 to \$31.85 and one final payment of \$10,031.85.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Credit Line Home Equity Line Check, Telephone Request, Request By Mail and In Person Request Limitations. There are no transaction limitations for the writing of Home Equity Line Checks, requesting an advance by telephone, requesting an advance by mail or requesting an advance in person.

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

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the highest base rate on corporate loans posted by at least 75% of the nation's 30 largest banks that The Wall Street Journal publishes as the Prime Rate. Information about the Index is available or published in The Wall Street Journal. We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment. If the Index is no longer available, we will choose a new Index and margin. The new Index will have an Historical movement substantially similar to the original Index, and the new Index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original Index becomes unavailable.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we take the value of the Index, add a margin to the value of the Index (if applicable), then divide the value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the **ANNUAL PERCENTAGE RATE**. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Forgo Rate Increases. If we forgo an annual percentage rate increase, at the time of a later adjustment we may return to the full Index value plus margin.

Please ask us for the current Index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change daily. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 24.000% per annum or, go below 3.750% per annum at any time during the term of the Plan.

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 24.000% would be \$203.84. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2001 to 2015. The Index values are from the following reference period: as of the first business day in November. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the Index or your payments would change in the future.

INDEX TABLE

Year (as of the first business day in November)	Index (Percent)	Margin(1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2001	5.500	.2500	5.750	\$48.84
2002	4.750	.2500	5.000	\$42.47
2003	4.000	.2500	4.250	\$36.10
2004	4.750	.2500	5.000	\$42.47
2005	7.000	.2500	7.250	\$61.58
2006	8.250	.2500	8.500	\$72.19
2007	7.500	.2500	7.750	\$65.82
2008	4.000	.2500	4.250	\$36.10
2009	3.250	.2500	3.750(2)	\$31.85
2010	3.250	.2500	3.750(2)	\$31.85
2011	3.250	.2500	3.750	
2012	3.250	.2500	3.750	
2013	3.250	.2500	3.750	
2014	3.250	.2500	3.750	
2015	3.250	.2500	3.750	

(1) This is a margin we have used recently; your margin may be different.

(2) This A.P.R. reflects a 3.750 percent floor.

***RECORDATION TAX TABLE.**

Recordation Taxes – Montgomery County	\$6.90/\$1,000 of loan amount (up to \$500,000)
Recordation Taxes – Prince George's County	\$5.00/\$1,000 of loan amount
Recordation Taxes – Howard County	\$5.00/\$1,000 of loan amount
Recordation Taxes – Anne Arundel County	\$7.00/\$1,000 of loan amount
Recordation Taxes - Carroll County	\$10.00/\$1,000 of loan amount
Recordation Taxes – Northern Virginia Counties	\$3.33/\$1,000 of loan amount