



P.O. Box 32584
630 Howard Street
Detroit, Michigan 48232
(313) 965-8640

IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. THE TERMS FOR ALL PLANS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

Availability Of Terms

All 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 you paid to us or anyone else in connection with your application.

Security Interest

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan and require payment in full of the entire outstanding balance in a single payment.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the annual percentage rate provided for or impairs our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum annual percentage rate under the plan is reached; or (9) a regulatory agency has notified us that further advances under this plan constitute an unsafe and unsound practice.

The initial agreement permits us to make certain changes to the terms of the agreement at specific times or upon the occurrence of specified events.

Home Equity Plans

We offer four (4) Home Equity Line of Credit Plans that differ based on the loan-to-value ratio (LTV) and our underwriting criteria: (1) 75% & Less LTV (5.00% Minimum Rate); (2) 75% & Less LTV (7.00% Minimum Rate); (3) Greater than 75% LTV (5.00% Minimum Rate); and (4) Greater than 75% LTV (8.00% Minimum Rate). Not all applicants may qualify for all Plans.

Minimum Payment Requirements

The Minimum Payment Requirements for all Plans are the same. You can obtain credit advances for 60 months (the draw period). During the draw period, payments will be established at the close of each billing cycle at an amount equal to 2.00% of your then unpaid principal balance, subject to the lesser of \$100.00 or your account balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding balance (the repayment period). The length of the repayment period will depend on the date and amount of your last advance. During the repayment period, your minimum monthly payment will be calculated in the same manner as the draw period.

Paying only the minimum payment may not be sufficient to fully amortize your unpaid account balance by the end of the Agreement Maturity Date in which case, you will be required to continue making your regularly scheduled payments until such time as you have repaid the entire amount owed under your agreement with us.

Minimum Payment Example

75.00% & Less Loan-To-Value (5.00% Minimum Rate)

If you made only the minimum payments and took no other credit advances, it would take 100 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 60 monthly payments varying between \$200.00 and \$100.00, followed by 39 monthly payments of \$100.00, and a final payment of \$61.46.

75.00% & Less Loan-To-Value (7.00% Minimum Rate)

If you made only the minimum payments and took no other credit advances, it would take 108 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.00%. During that period, you would make 60 monthly payments varying between \$200.00 and \$100.00, followed by 47 monthly payments of \$100.00, and a final payment of \$86.98.

Greater Than 75.00% Loan-To-Value (5.00% Minimum Rate)

If you made only the minimum payments and took no other credit advances, it would take 100 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.00%. During that period, you would make 60 monthly payments varying between \$200.00 and \$100.00, followed by 39 monthly payments of \$100.00, and a final payment of \$61.46.

Greater Than 75.00% Loan-To-Value (8.00% Minimum Rate)

If you made only the minimum payments and took no other credit advances, it would take 113 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 8.00%. During that period, you would make 60 monthly payments varying between \$200.00 and \$100.00, followed by 52 monthly payments of \$100.00, and a final payment of \$66.38.

Fees And Charges

To open a line of credit, you will have to pay certain fees to third parties. These fees generally range from \$600.00 to \$1,200.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Insurance

You must carry insurance on the property that secures this plan.

Minimum Draw Requirements

The minimum credit advance you can receive is \$250.00.

Tax Deductibility

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

Variable Rate

Your account contains a Variable Rate feature and, as a result, the Annual Percentage Rate (corresponding to the periodic rate) and the number of your scheduled 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. The index is the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the 3rd Monday of each calendar month, rounded to the nearest 0.125%. Changes in the Index will cause changes in the interest rate on the first day of the billing cycle that immediately follows any change in the index. 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 in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change monthly. There is no limit on the amount by which the interest rate can change during any one-year period other than the maximum Annual Percentage Rate that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%.

Maximum Rate And Payment Examples

The following examples apply to all Plans. If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$200.00. This Annual Percentage Rate could be reached during the 1st month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$200.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2006. The index is from The Wall Street Journal and is calculated on the first business day of July of each year. While only one payment amount per year is shown, payments may have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, 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.

75.00% & Less Loan-To-Value

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2006	8.25	0.00	2.00	8.25%	10.25%	DRAW	\$200.00	\$200.00
2007	8.25	0.00	2.00	8.25%	10.25%	DRAW	\$170.68	\$174.17
2008	5.00	0.00	2.00	5.00%	7.00%	DRAW	\$145.66	\$151.68
2009	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	DRAW	\$120.27	\$127.81
2010	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	DRAW	\$100.00 ⁽⁴⁾	\$107.70
2011	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2012	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2013	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2014	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2015	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	-0-	\$100.00 ⁽⁴⁾
2016	3.50	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	-0-	-0-
2017	4.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	-0-	-0-
2018	5.00	0.00	2.00	5.00%	7.00%	REPAYMENT	-0-	-0-
2019	5.50	0.00	2.00	5.50%	7.50%	REPAYMENT	-0-	-0-
2020	3.25	0.00	2.00	5.00% ⁽³⁾	7.00% ⁽³⁾	REPAYMENT	-0-	-0-

- (1) This represents a Margin (we have recently used), Annual Percentage Rate and Minimum Payment for our lines of credit having a loan-to-value of 75.00% or less and a 5.00% minimum rate.
- (2) This represents a Margin (we have recently used), Annual Percentage Rate and Minimum Payment for our lines of credit having a loan-to-value of 75.00% or less and a 7.00% minimum rate.
- (3) This represents the minimum rate.
- (4) This represents the \$100.00 minimum payment.

Greater Than 75.00% Loan-To-Value

Year	Index	Margin		ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
		(1)	(2)	(1)	(2)		(1)	(2)
2006	8.25	1.00	3.00	9.25%	11.25%	DRAW	\$200.00	\$200.00
2007	8.25	1.00	3.00	9.25%	11.25%	DRAW	\$172.42	\$175.94
2008	5.00	1.00	3.00	6.00%	8.00%	DRAW	\$148.64	\$154.78
2009	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	DRAW	\$123.98	\$131.75
2010	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	DRAW	\$102.37	\$112.15
2011	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2012	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2013	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2014	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	\$100.00 ⁽⁴⁾	\$100.00 ⁽⁴⁾
2015	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	-0-	\$100.00 ⁽⁴⁾
2016	3.50	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	-0-	-0-
2017	4.25	1.00	3.00	5.25%	8.00% ⁽³⁾	REPAYMENT	-0-	-0-
2018	5.00	1.00	3.00	6.00%	8.00%	REPAYMENT	-0-	-0-
2019	5.50	1.00	3.00	6.50%	8.50%	REPAYMENT	-0-	-0-
2020	3.25	1.00	3.00	5.00% ⁽³⁾	8.00% ⁽³⁾	REPAYMENT	-0-	-0-

(1) This represents a Margin (we have recently used), Annual Percentage Rate and Minimum Payment for our lines of credit having a loan-to-value greater than 75.00% and a 5.00% minimum rate.

(2) This represents a Margin (we have recently used), Annual Percentage Rate and Minimum Payment for our lines of credit having a loan-to-value greater than 75.00% and a 8.00% minimum rate.

(3) This represents the minimum rate.

(4) This represents the \$100.00 minimum payment.