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IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINE OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF.

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 Mortgage/Deed of Trust 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, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

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 Mortgages/Deeds of Trust 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 interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Minimum Payment Requirements

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis. During the draw period, your Minimum Periodic Payment will be established at the close of each billing cycle at an amount equal to all accrued yet unpaid finance charges due, subject to the lesser of \$50.00 or your account balance.

During the draw period, the amount of your scheduled Minimum Monthly Payment will depend on whether you have elected to "convert" any portion of your outstanding balance that is subject to a variable-rate interest rate calculation to a balance that is subject to a fixed-rate interest rate calculation. Any balance that is not converted to a fixed-rate interest calculation will be subject to a variable-rate interest calculation. During the draw period, your Minimum Periodic Payment will be the sum of the accrued yet unpaid finance charges due for any balance subject to a variable-rate calculation, plus the accrued yet unpaid finance charges due for any balance(s) subject to a fixed-rate calculation. See the section "Fixed-Rate Conversion Option" below for more information.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (the "repayment period"). The length of the repayment period will be 180 months. During the repayment period, your minimum periodic payment will be established and fixed on the first day of the repayment period to the amount necessary to fully amortize your then outstanding balance by the agreement maturity date at the interest rate then in effect. The minimum periodic payment established on the first day of the repayment period will be your minimum periodic payment for the duration of the repayment period.

Minimum Payment Example

If you made only the minimum payments and took no other credit advances, it would take 300 months to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 4.00%. During that period you would make 120 monthly payments of \$50.00, followed by 179 monthly payments of \$58.70, and a final payment of \$59.70.

Fees And Charges

To open a line of credit you must pay certain fees to third parties. The fees you may have to pay to third parties generally total from \$250.00 - \$1,250.00. 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. As a condition of obtaining credit, we will not require you to provide such insurance in an amount that exceeds the replacement value of the Security Property.

Tax Deductibility

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

Variable-Rate

This plan has a variable-rate feature. The Annual Percentage Rate (corresponding to the periodic rate) can change as a result. The annual percentage rate includes only interest and no other costs.

During the draw period, the Annual Percentage Rate is based on the value of an index. The index is the Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the last day of each calendar month. During the draw period, you may elect to have the outstanding balance of your account converted to a fixed-rate interest calculation, as described below in the section "Fixed-Rate Conversion Option." Any such converted balance is not subject to the Variable-Rate provisions that would otherwise apply during the draw period. During the draw period, for balances subject to a variable rate, changes in the index may affect the amount of your minimum payments.

During the repayment period, the Annual Percentage Rate is based on the value of an index. The index is the Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the first day of the repayment period. During the repayment period, a change in the annual percentage will affect the amount of the minimum payment that is established at the beginning of the repayment period, which minimum payment amount will remain unchanged for the remainder of the repayment period.

To determine the Annual Percentage Rates that will apply to your line of credit, we add a margin to the value of the applicable index. Ask us for the current index value, margin values, and annual percentage rates. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Fixed-Rate Conversion Option

During the draw period only, you may elect to convert a balance subject to a variable rate to a balance that is subject to a fixed rate. To exercise this option, you must pay a \$25.00 conversion fee. There is no limit on the number of times during the draw period that you may request to convert a balance subject to a variable rate, except that you may not have more than two (2) converted fixed-rate balances outstanding at any time. This option is not available for any previously converted balance(s). This option is not available during the repayment period.

The interest rate applicable to the converted balance will be determined at the time of conversion, and will remain in effect for the duration of the draw period. The interest 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 at the time We receive Your Fixed-Rate Conversion Request form. To calculate the interest rate that will apply to the converted balance, We add a margin to the Index value. The sum of the index and margin equals the interest rate that will apply to the converted balance for the duration of the draw period. The then-current Index value and Annual Percentage Rate (corresponding to the periodic rate) will be disclosed to you at the time of your conversion request.

Rate Changes

During the draw period, for balances subject to a variable rate, your Annual Percentage Rate can change monthly. During the draw period, for balances that are converted to a fixed rate, your Annual Percentage Rate can change at the time of conversion. During the repayment period, your Annual Percentage Rate can change on the first day of the repayment period, but will then remain unchanged for the remainder of the repayment period. Other than the minimum and maximum Annual Percentage Rates that can apply at any time to this account, there is no limit on the amount by which your interest rate can change in any one-year period.

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

Maximum Rate And Payment Examples

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 \$150.02. 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 \$161.06. 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 2007. The index is from The Wall Street Journal and is calculated on the first business day of March 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.

Year	Index	Margin ⁽¹⁾	ANNUAL PERCENTAGE RATE	Payment Period	Minimum Payment
2007	8.25	-0.25	8.00%	DRAW	\$66.67
2008	6.00	-0.25	5.75%	DRAW	\$50.00 ⁽⁴⁾
2009	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2010	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2011	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2012	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2013	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2014	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2015	3.25	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2016	3.50	-0.25	4.00% ⁽²⁾	DRAW	\$50.00 ⁽⁴⁾
2017	3.75	-0.25	4.75% ⁽³⁾	REPAYMENT	\$63.15
2018	4.50	-0.25	4.75% ⁽³⁾	REPAYMENT	\$63.15
2019	5.50	-0.25	4.75% ⁽³⁾	REPAYMENT	\$63.15
2020	4.75	-0.25	4.75% ⁽³⁾	REPAYMENT	\$63.15
2021	3.25	-0.25	4.75% ⁽³⁾	REPAYMENT	\$63.15

- (1) This represents a margin which we have recently used.
- (2) This represents the minimum annual percentage rate that may apply at any time.
- (3) This represents the fixed annual percentage rate during the repayment period.
- (4) This represents the minimum payment amount.