

**HOME EQUITY LINE OF CREDIT  
EARLY DISCLOSURE**

**Morgantown Bank & Trust Co Inc.  
201 N Main St, PO BOX 68  
Morgantown, Kentucky 42261  
(270)526-3881  
NMLS Company Identifier: 440880  
NMLS Originator Identifier: 1667576**

**BORROWER INFORMATION**

In this disclosure the words "you" and "your" mean the recipient of this disclosure, and the words "we," "us" and "our" mean Morgantown Bank & Trust Co Inc., the Lender listed above. "e" means an estimate.

**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT**

**RETENTION OF INFORMATION.** This disclosure contains important information about our home equity line of credit, Home Equity Line of Credit - 2nd Lien ("Account"). You should read it carefully and keep a copy for your records.

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

**SECURITY INTEREST.** We will take a security interest in your home (collateral). You could lose your home if you do not meet the obligations in your Agreement with us.

**POSSIBLE ACTIONS.** We can terminate your Account and require you to pay us the entire outstanding balance in one payment if: you engage in fraud or material misrepresentation in connection with the Account; or you do not meet the repayment terms; and/or 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: the value of the dwelling securing the Account declines significantly below its appraised value for purposes of the Account; or we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; or you are in default of a material obligation in the Agreement; or government action prevents us from imposing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line; or a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; and/or the maximum Annual Percentage Rate is reached. The initial Agreement permits us to make certain changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

**MINIMUM PAYMENT REQUIREMENTS.** You can obtain advances of credit for 120 months (the "Draw Period"). During the Draw Period, payments will be due monthly. Your minimum periodic payment will be equal to the interest that has accrued on your Account as of the closing date of each billing statement.

**BALLOON PAYMENT.** After the Draw Period ends, you will no longer be able to obtain credit advances. Paying only your minimum payment may repay less than the outstanding balance at the end of the Draw Period. You will be required to pay the entire unpaid balance that you owe and any outstanding fees or charges at the end of the Draw Period in a single balloon payment.

**MINIMUM-PAYMENT EXAMPLE.** If you made only the minimum monthly payments 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 8.500%. During the Draw Period, you would make 119 monthly payments of \$70.83. This would be followed by one final payment of \$10,070.83.

**FEES AND CHARGES.** To open and maintain your Account, you must carry insurance on the property securing your Account and pay us the following fees:

Annual Fee	\$25.00	***
Evaluation Fee-HELOC	\$200.00e	***

\* Payable at application

\*\*\* Chargeable as a credit advance to your Account

You must also pay certain fees to third parties. These fees generally total between \$915.00 and \$2,307.00. The following are the third party fees you must pay:

Credit Report Fee	\$114.40 e
Flood Fee	\$14.00 e
Mortgage Recording	\$80.00 e
Title - Title Opinion Exam	\$250.00 e
Title - Mortgage Preparation	\$75.00 e
Homeowners Insurance Premium	POCB \$1,800.00 e



If you tell us you have decided not to enter into the Account within three business days of receiving this Disclosure and the Consumer Financial Protection Bureau brochure "What You Should Know About Home Equity Lines of Credit" in person, or within six business days after the day we mail them to you, as the case might be, any fees or charges you might have already paid will be refunded.

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

**OTHER PRODUCTS.** If you ask, we will provide you with information on our other available home equity products.

**MINIMUM TRANSACTION REQUIREMENTS.** Credit advances must be in increments of \$100.00.

**VARIABLE RATE FEATURE.** The Account has a variable rate feature. The Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result. This Annual Percentage Rate does not include costs other than interest. The Annual Percentage Rate is based on the value of an index. The index is base rate on corporate loans posted by at least 70% of the 30th largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published in the Wall Street Journal. Ask us for the current index value and Annual Percentage Rate. After you open an Account, rate information will be provided on periodic statements that we furnish to you.

**RATE CHANGES.** The Annual Percentage Rate can change daily. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000%. Apart from this rate cap, there is no limit on the amount by which the rate can change in any one-year period, except that under no circumstances will the rate ever be less than 5.000% per annum.

**MAXIMUM-RATE AND PAYMENT EXAMPLE.** If the **ANNUAL PERCENTAGE RATE** equaled the 18.000% maximum and you had an outstanding balance of \$10,000.00, your minimum payment would be \$150.00. The maximum Annual Percentage Rate could be reached the first time your Annual Percentage Rate changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately.

**HISTORICAL EXAMPLE.** The following table 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 over the past 15 years. The index values are from the rate in effect as of the 1st day in March of each year. While only one payment amount per year is shown, payments would have varied during each year of the Draw Period. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each 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 Payment
2010	3.250%	0.00%	5.000% ***	\$41.67
2011	3.250%	0.00%	5.000% ***	\$41.67
2012	3.250%	0.00%	5.000% ***	\$41.67
2013	3.250%	0.00%	5.000% ***	\$41.67
2014	3.250%	0.00%	5.000% ***	\$41.67
2015	3.250%	0.00%	5.000% ***	\$41.67
2016	3.500%	0.00%	5.000% ***	\$41.67
2017	3.750%	0.00%	5.000% ***	\$41.67
2018	4.500%	0.00%	5.000% ***	\$41.67
2019	5.500%	0.00%	5.500%	\$45.83 <sup>1/</sup>
2020	4.750%	0.00%	5.000% ***	\$0.00
2021	3.250%	0.00%	5.000% ***	\$0.00
2022	3.250%	0.00%	5.000% ***	\$0.00
2023	7.750%	0.00%	7.750%	\$0.00
2024	8.500%	0.00%	8.500%	\$0.00

\*\*\* This rate reflects the lifetime floor.  
<sup>1/</sup> Draw period ends on the 120th month.

**ADDITIONAL PROVISIONS. Late Payment.** *If the Minimum Monthly Payment is more than 10 days late, Lender will impose a late charge of 5.000% of the unpaid amount of the payment or \$25.00, whichever is less.*



**ACKNOWLEDGMENT.** The undersigned hereby acknowledge(s) receipt of a copy of this Disclosure and a copy of the Consumer Financial Protection Bureau brochure "What You Should Know About Home Equity Lines of Credit" on the date indicated below.

\_\_\_\_\_ Date

\_\_\_\_\_ Date

