

**CITIZENS BANK**  
P.O. BOX 197  
NEW HAVEN, MO 63068  
Telephone: 573-237-3051  
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Web Address: www.citizensbankmo.com

Lender

Loan-to-Value < 50%  
Floor Rate of 5.50%

Borrower

## 5 YEAR INTEREST ONLY -- 15 YEAR REPAYMENT HELOC

This disclosure contains important information about our 5 YEAR INTEREST ONLY -- 15 YEAR REPAYMENT HELOC. 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 and require you to pay us the entire outstanding balance in one payment;
- B. Refuse to make additional extensions of credit; and
- C. Reduce your credit limit.

If you ask, we will give you more specific information about when we can take these actions.

**4. MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 60 months (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the following:

\* The amount of accrued finance charges on the last day of the billing cycle.

The minimum payment amount will be rounded down to the nearest \$.01. The minimum monthly payments during the draw period will not reduce the principal that is outstanding on your line of credit.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your line of credit (the "repayment period.") The length of the repayment period is 180 months. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the following:

\* An amortized payment of the loan account balance on the last day of the draw period. This balance will be amortized over 180 months.

The minimum payment will change whenever the annual percentage rate changes. The minimum payment amount will be rounded to the nearest \$.01. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit by the end of the repayment period. If they are not, you will, to the extent permitted by law, be required to pay the entire balance in a single payment.

**5. MINIMUM PAYMENT EXAMPLE.** If you made only the minimum monthly payment and took no other credit advances, it would take 20 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.500%. During that period, you would make 60 payments of \$45.83 followed by 179 payments of \$81.70, with a final payment of \$84.18.

**6. FEES AND CHARGES.** You must pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$0.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

**7. REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

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

**9. VARIABLE RATE FEATURES.** This line of credit has a variable rate feature 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 base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily 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 and then round to the nearest .001 percent. 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.

**10. RATE CHANGES.** The annual percentage rate can change monthly. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 20.000 percent. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 5.500 percent.

**11. MAXIMUM RATE AND PAYMENT EXAMPLES.** If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 20.000 percent would be \$166.67. The maximum annual percentage rate during the draw period, could be reached in the 1st month (1 month) following an initial hold of 1 month.

If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 20.000 percent would be \$175.62. The maximum annual percentage rate during the repayment period, could be reached in the 2nd month (2 months).

**12. CONVERSION OPTION.** This plan includes an option to convert the interest rate from a variable rate to a fixed rate ("conversion option"). An exercised conversion option results in a fixed rate term loan for the designated balance (a "lock"). The conversion option is subject to the following terms and conditions:

**A. Balance.** You may exercise the conversion option against the following balances:

**B. Conversion Period.** You may exercise the conversion option during the following periods:

**C. Lock Number.** The number of locks that you may create (or have outstanding) is subject to the following restrictions:

**D. Lock Term.** The balance of a lock will be paid over the following term:

**E. Lock Repayment Method.** Payments on a lock will be determined as follows:

**F. Conversion Fees.** You will be required to pay the following fees at the time you exercise a conversion option:

**G. Fixed Rate Determination.** Your annual percentage rate may increase if you exercise the conversion option. The fixed rate applicable to a lock will be determined as follows: 0

**H. Additional Conversion Rules.** If you exercise the conversion option your minimum monthly payment will equal the sum of the lock payment amount(s) plus the regular minimum payment amount for any remaining balance on your line of credit that has not been converted to a fixed rate.

**13. HISTORICAL EXAMPLES.** 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 last 15 years. The index values are from the first business day of December. While only one payment amount per year is shown, payments would have varied during each year. The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)	Margin (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2004	5.000	0.000	5.500 (K)	45.83
2005	7.000	0.000	7.000	58.33
2006	8.250	0.000	8.250	68.75
2007	7.500	0.000	7.500	62.50
2008	4.000	0.000	5.500 (K)	45.83
2009 (O)	3.250	0.000	5.500 (K)	81.70
2010	3.250	0.000	5.500 (K)	81.70
2011	3.250	0.000	5.500 (K)	81.71
2012	3.250	0.000	5.500 (K)	81.71
2013	3.250	0.000	5.500 (K)	81.71
2014	3.250	0.000	5.500 (K)	81.71
2015	3.250	0.000	5.500 (K)	81.71
2016	3.500	0.000	5.500 (K)	81.71
2017	4.250	0.000	5.500 (K)	81.71
2018	5.250	0.000	5.500 (K)	81.71

(K) This reflects a lifetime floor of 5.500 percent.

(O) The repayment period begins in this year.

This is not a commitment to make a loan.