



**IMPORTANT TERMS OF OUR  
PRIME REAL ESTATE ACCESSLINE  
HOME EQUITY LINE OF CREDIT**

This disclosure contains important information about our Prime Real Estate AccessLine Home Equity Line of Credit, which is referred to as the "line of credit." You should read it carefully and keep this copy for your records.

**AVAILABILITY OF TERMS:** All of the items 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 on your real property, which may include your home. You could lose your real property, including your home, if you do not meet the obligations in your agreement with us.

**POSSIBLE ACTIONS:** We can terminate your line of credit, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with your line of credit.
- You do not meet the repayment terms of the line of credit.
- Your action or inaction adversely affects the collateral for the line of credit 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 line of credit declines significantly below its appraised value for purposes of the line of credit.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- 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 line of credit.
- A government authority has notified us that continued advances would constitute an unsafe and unsound business practice.
- 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 during the term of the line of credit. The line of credit has a term of 10 years. At the end of the term, you will not be able to obtain advances of credit and you will be required to repay the entire balance of the line of credit, all accrued finance charges and any other outstanding charges. You may select your minimum monthly payment from two payment options:

- **Monthly Interest-Only Payments.** Under this option, your payments will be due monthly and will equal the finance charges that accrued on the outstanding balance during the preceding month, any applicable credit life premiums, and any late charges and other charges that were assessed and not paid.

Loan Number:

- 0.42% of the Balance. Under this option, your payments will be due monthly and will equal 0.42% of the outstanding balance on your line of credit, plus finance charges that accrued on the outstanding balance during the preceding month, any applicable credit life premiums, and any late charges and other charges that were assessed and not paid.

If the payment determined under the calculation above is less than \$50, the minimum payment will equal \$50 or the outstanding balance on your line, whichever is less.

Under either repayment option, the minimum monthly payment may be insufficient to reduce principal or fully repay principal by the end of the term. In that case, you will be required to pay the entire balance of your account plus all accrued interest in a single (balloon) payment.

MINIMUM PAYMENT EXAMPLE: If your index is based on the Wall Street Journal Prime Rate and you took a single \$10,000 advance on July 1 and the ANNUAL PERCENTAGE RATE was and remains at 6.000% (assume that no discount or premium applies):

- Under the Monthly Interest-Only payment option, on a 10 year line of credit, a single payment of **\$10,049.32** (the \$10,000 plus accrued but unpaid interest) would be due at the end of the term. During the term, you would make 119 monthly payments varying between **\$46.03** and **\$50.96** depending on the number of days in the month.
- Under the 0.42% of the Balance payment option, on a 10 year line of credit, a single payment of **\$6,090.03** would be due at the end of the term if you made only the minimum payments. During the term, you would make 119 monthly payments starting as high as **\$92.96** and decreasing to as low as **\$54.25** as the outstanding balance decreases.

As described in the Minimum Payment Requirements section, if the monthly payment calculated above is less than \$50, the minimum payment will be \$50. In such case, the excess will be applied to principal and the single payment due at the end of the term will be less than the amount shown above.

FEES AND CHARGES: To open and maintain a line of credit, you must pay us the following fees:

Points (due when account opened):	:	\$	_____	% of credit limit;
Other _____	:	\$	_____	:
_____	:	\$	_____	:
_____	:	\$	_____	:

You must also pay a "deposit" to cover certain fees to third parties. These fees generally total between \$900.00 and \$1,300.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties. If the deposit is greater than the total of fees paid to third parties, the remainder will be refunded to you.

MINIMUM DRAW REQUIREMENT: The minimum credit advance that you can receive is \$500.

INITIAL ADVANCE: If your line of credit is secured by Guam real property, you must make an initial advance of at least **\$3,600.00** either upon the expiration of the three (3) day rescission period, if applicable, or when the mortgage is recorded, whichever is later.

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

VARIABLE-RATE FEATURE: The 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 no other costs.

The ANNUAL PERCENTAGE RATE is based on the value of an index. During the term, the index will be the Wall Street Journal Prime Rate. Information about the Wall Street Journal Prime Rate can be obtained from 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 ("the fully indexed rate"). The historical example on page 3 shows the applicable margin.

The initial ANNUAL PERCENTAGE RATE is based on the index and margin which will be used for later rate adjustments.

Ask us for the current index values, discount/premium, margin and ANNUAL PERCENTAGE RATE. After you open a line of credit, rate information will be provided on periodic statements that we will send you.

**RATE CHANGES:** Your index is based on the Wall Street Journal Prime Rate. If there is an initial period where the ANNUAL PERCENTAGE RATE is fixed, then after this initial period, the ANNUAL PERCENTAGE RATE can change on any day on which the Wall Street Journal Prime Rate is changed. This new ANNUAL PERCENTAGE RATE will remain in effect until the next change to the Wall Street Journal Prime Rate. These changes can occur more than once a month. The ANNUAL PERCENTAGE RATE can reach a maximum of **19.000%** and cannot decrease below the minimum interest rate described in the Real Estate Accessline Agreement. Ask us about the rate limitations that are currently available. Apart from these rate "caps", there is no limit on the amount by which the rate can change at any time a change occurs.

**MAXIMUM RATE AND PAYMENT EXAMPLES:** If the ANNUAL PERCENTAGE RATE during the term of the line of credit equaled the **19.000%** maximum and you had an outstanding balance of \$10,000 (with no further draws):

- Under the Monthly Interest-Only payment option, on a 10 year line of credit, the minimum monthly payment would vary between **\$145.75** and **\$161.37** depending on the number of days in the month.
- Under the 0.42% of the Balance payment option, on a 10 year line of credit, the minimum monthly payment would start as high as **\$203.37** and decrease to as low as **\$115.71** as the outstanding balance decreases.

This ANNUAL PERCENTAGE RATE, if not currently effective, could be reached at the beginning of the first rate change date if the index used for the ANNUAL PERCENTAGE RATE is the Wall Street Journal Prime Rate.

**HISTORICAL EXAMPLE:** The following table shows how the ANNUAL PERCENTAGE RATE and the minimum monthly payments for a single \$10,000 credit advance on July 1, 2004 would have changed based on changes in the applicable index over the past 15 years. For the purpose of this example and the table below, only the Wall Street Journal Prime Rate as of July 1 is shown. This table does not reflect the various changes in the Wall Street Journal Prime Rate that may have occurred during the other times of the year and the resulting changes in the ANNUAL PERCENTAGE RATE and minimum payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum monthly 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.

Wall Street Journal Prime Rates					
Year	Index	Margin *	ANNUAL PERCENTAGE RATE	Maximum Monthly Interest-Only Payments	Maximum Monthly 0.42% of the Balance Payments
2004	4.250%	1.000%	5.250%**	\$44.59	\$86.59
2005	6.250%	1.000%	7.250%	\$61.58	\$98.47
2006	8.250%	1.000%	9.250%	\$78.56	\$108.97
2007	8.250%	1.000%	9.250%	\$78.56	\$103.61
2008	5.000%	1.000%	6.000%	\$50.96	\$75.96
2009	3.250%	1.000%	5.250%**	\$44.59	\$67.27
2010	3.250%	1.000%	5.250%**	\$44.59	\$63.95
2011	3.250%	1.000%	5.250%**	\$44.59	\$60.80
2012	3.250%	1.000%	5.250%**	\$44.59	\$57.81
2013	3.250%	1.000%	5.250%**	\$44.59 (B1)	\$54.96 (B2)
2014	3.250%	1.000%	5.250%**		

Loan Number:

2015	3.250%	1.000%	5.250%**		
2016	3.500%	1.000%	5.250%**		
2017	4.250%	1.000%	5.250%**		
2018	5.000%	1.000%	6.000%		

\*This is a margin we have used recently.

\*\* This rate reflects the minimum ANNUAL PERCENTAGE RATE.

(B1) The last payment of this year would be a balloon payment of **\$10,043.15**.

(B2) The last payment of this year would be a balloon payment of **\$6,086.29**.

I have received these **"IMPORTANT TERMS OF OUR REAL ESTATE ACCESSLINE HOME EQUITY LINE OF CREDIT"**  
and the booklet **"WHEN YOUR HOME IS ON THE LINE."**

\_\_\_\_\_ Date

\_\_\_\_\_ Date