

**HOME EQUITY LINE OF CREDIT**  
**Advantage Home Equity**

**Fairfield County Bank**  
**150 Danbury Road**  
**Ridgefield, Connecticut 06877**  
**(203)431-7431**  
**www.FairfieldCountyBank.com**  
**NMLS Company Identifier: 516624**

In this disclosure the words "you" and "your" mean the recipient of this disclosure, and the words "we," "us" and "our" mean Fairfield County Bank, (the "Lender", "FCB" or "Bank") listed above.

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

- 1. RETENTION OF INFORMATION.** This disclosure contains important information about our home equity line of credit, Advantage Home Equity ("Account"). You should read it carefully and keep a copy for your records.
- 2. 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.
- 3. 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.
- 4. 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.

- 5. MINIMUM PAYMENT REQUIREMENTS.** You can obtain advances of credit for 60 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.

After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 240 months (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum periodic payment will be equal to 1/240 of the outstanding balance, determined and fixed as of the end of the Draw Period, plus accrued interest as of the closing date of each billing statement.

**MINIMUM-PAYMENT EXAMPLE.** If you made only the minimum monthly payments and took no other credit advances, it would take 25 years to pay off a credit advance of **\$10,000.00** at an **ANNUAL PERCENTAGE RATE of 7.250%**. During the Draw Period, you would make 60 monthly payments of **\$60.42**. During the Repayment Period, you would make 240 monthly payments varying between **\$102.09** and **\$44.69**.

- 6. 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:** You will be charged an annual fee of \$75.00 each year during the Draw Period. This fee will be billed to your Account during the month of the Anniversary Date of the Agreement.

**Processing Fee:** You will be charged a Processing Fee of \$150.00 at the time of application.

You may also pay certain fees to third parties. These fees generally total between \$70.00 and \$5,000.00 for a Second Mortgage, and \$70.00 to \$5,000.00 for a First Mortgage. If you ask, we will give you an itemization of the fees that you will have to pay to third parties.

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.

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

**8. MINIMUM TRANSACTION REQUIREMENTS.** \$500.00

**9. 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 **Wall St Journal Prime Rate and is published in the Wall Street Journal**. To determine the Annual Percentage Rate that will apply to your Account, we add a margin to the value of the index. The index value and margin are rounded to the nearest one-eighth of one percentage point (0.125). Ask us for the current index value, margin and Annual Percentage Rate. After you open an Account, rate information will be provided on periodic statements that we furnish to you.

**10. RATE CHANGES.** The Annual Percentage Rate can change monthly. The maximum **ANNUAL PERCENTAGE RATE (APR) 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 APR ever be less than **4.000%** per annum.

**11. RATE REDUCTION OPTION.**

You will receive a margin discount of minus **.50%** if you maintain a Fairfield County Bank personal savings account or personal checking account and have your loan payment drafted from this account throughout the term of the Line of Credit.

The margin discount must be in place prior to the date of closing. If you fail to maintain such condition at any time during the term of the loan, the preferred margin discount will no longer apply. As a result, your margin will increase by the amount of the discount you no longer qualify for, resulting in an increase to your rate. Once your margin increases you will no longer be eligible for the preferred margin discount. Your rate will increase the second billing cycle after you are no longer eligible for the preferred margin discount.

**12. MAXIMUM-RATE AND PAYMENT EXAMPLE.** If the **ANNUAL PERCENTAGE RATE during the Draw Period 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. If you had an outstanding balance of **\$10,000.00** at the beginning of the Repayment Period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE of 18.000%** would be **\$191.67**. This Annual Percentage Rate could be reached at the beginning of the Repayment Period.

**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 last business day of January of each year. 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 payments were made, and that the APR 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 INTEREST ONLY
2012	3.250%	0.500%	3.750%	\$31.25
2013	3.250%	0.500%	3.750%	\$31.25
2014	3.250%	0.500%	3.750%	\$31.25
2015	3.250%	0.500%	3.750%	\$72.92
2016	3.500%	0.500%	4.000%	\$75.00 **1
YEAR	INDEX	MARGIN*	ANNUAL PERCENTAGE RATE	MINIMUM PERIODIC PAYMENT INTEREST PLUS PRINCIPAL
2017	3.750%	0.500%	4.250%	\$77.09
2018	4.500%	0.500%	5.000%	\$83.34
2019	5.500%	0.500%	6.000%	\$91.67
2020	4.750%	0.500%	5.250%	\$85.42
2021	3.250%	1.500%	4.750%	\$81.25
2022	3.250%	1.500%	4.750%	\$81.25
2023	7.500%	1.500%	9.000%	\$116.67
2024	8.500%	1.500%	10.000%	\$125.00
2025	7.500%	1.500%	9.000%	\$116.67
2026	6.750%	0.500%	7.250%	\$102.09

\*This is a margin that we have used recently.

\*\*1-Draw Period ends on the 60<sup>th</sup> month.

**13. ADDITIONAL PROVISIONS.** NON-USAGE FEE: If you do not use this line of credit and the outstanding principal balance of this line of credit is zero throughout any loan year (as hereinafter defined), you will be charged an annual "non-usage fee" of one hundred dollars (\$100.00) for that loan year. For the purposes hereof, the first "loan year" is the twelve (12) month period measured from the date of this Note until the one (1) year anniversary of this Note. Each subsequent twelve-month period is also referred to as a "Loan Year". You are deemed to have not used the line of credit if you do not request an advance, either by Special Check, electronic transfer, or otherwise. This fee will apply during any Loan Year that this line of credit is open. OVERDRAFT FEE: If a special check that you write exceeds your credit limit, we may charge you an Overdraft Fee based on our current Fee Schedule. STOP PAYMENT FEE: Each Account check on which you stop payment is subject to a stop payment fee based on our current Fee Schedule. CHECK RE-ORDER CHARGE: If you re-order checks under this plan, you will be charged the cost of re-ordering as determined by the check vendor. EARLY TERMINATION FEE: If I pay the entire outstanding balance and close my Account on or before three calendar years after the opening date of my Account, I will pay an early termination fee of \$«M\_1986». I understand that I may pay my outstanding balance down to zero at any time without having to pay the early termination fee as long as my Account remains open. Attached is a copy of the Bank's current fee schedule.

**ACKNOWLEDGMENT.** The undersigned hereby acknowledge(s) receipt of a copy of this Disclosure, Schedule of current fees 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.

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Signature Date

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Signature Date