# HOME EQUITY APPLICATION DISCLOSURE

**Borrower:**

**Lender:** **Bank of St. Francisville**
**Main Office**
**5700 Commerce**
**St Francisville, LA 70775**

## IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

**This disclosure contains important information about our HELOC Adjustable 5 years (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.**

**AVAILABILITY OF TERMS.** All of the terms of the Plan described herein are subject to change. If any of 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 paid to us or anyone else in connection with your application.

**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.

**POSSIBLE ACTIONS.** Under this Plan, we have the following rights:

**Temporary Credit Suspension and Credit Reduction.** We may temporarily suspend your right to obtain credit advances on your Credit Line and/or reduce your credit limit while any of the following circumstances exists:

(1) The value of your Property declines significantly below its appraised value for purposes of the Plan. This includes, but is not limited to, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent (50%) and may include a smaller decline depending on individual circumstances;

(2) We reasonably believe that you will be unable to fulfill the repayment terms under the Plan because of a material change in your financial circumstances;

(3) You are in default of a material obligation under the Plan. A material obligation includes, but is not limited to, your duty to immediately notify us should there be an adverse change in your credit, financial condition or marital status, to provide us with updated financial or credit related information upon request; to continue to reside in any Property that secures your Credit Line and was your principal dwelling at the inception of your Credit Line and your agreement not to permit an intervening lien to be filed against your Property that would take priority over our security interest securing advances made under the Plan;

(4) We are precluded by government action from imposing the Annual Percentage Rate provided under the Plan;

(5) The priority of our security interest is adversely affected by government action to the extent that the value of our security interest in your Property is less than one hundred and twenty percent (120%) of your credit line;

(6) The maximum Annual Percentage Rate under the Plan is reached (until such time as the APR declines below that maximum);

(7) We are notified by regulatory authorities that continued credit advances under the Plan constitute an unsafe and unsound lending practice; or

(8) You or any accountholder requests that we do so. We may at our option require that any such request be put in writing and sent to us by certified mail before suspending credit on your Credit Line. We may require that any requests to reinstate credit privileges also be put in writing and provided by each accountholder.

If the circumstances that caused us to prohibit additional advances or reduce the credit limit under your Credit Line subsequently ceases to exist, you must notify us of that fact. Upon notification, we may reinstate your Credit Line to its previous status if we agree that the circumstance has changed.

**Termination and Acceleration.** We may terminate and accelerate payment of all amounts you owe to us under the Plan, which you agree to pay to us immediately without notice or demand, or take lesser action as provided under the Plan if any of the following events occur:

(1) You or any person signing the Plan Agreement notifies us to cancel your Credit Line for any reason. We may at our option request that this written notice to cancel be put in writing and delivered to us by certified mail before cancelling your Credit Line;

(2) Your death results in an impairment of our security interest in your Property;

(3) You fail to meet the repayment terms of the Plan;

(4) You commit fraud or make a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about your income, assets, liabilities, or any other aspects of your financial condition.

(5) Any action or inaction by you adversely affects our security interest in your Property. For example: you transfer title to your Property or sell your Property without our permission, you fail to maintain required insurance on your Property, you fail to maintain the Property, a tax lien that primes our security interest is filed against your Property or your Property is taken by eminent domain, your Property is foreclosed upon by a prior lienholder, or another creditor attempts to enforce a judgment against your Property.

If an event occurs that would allow us to terminate and accelerate all amounts you owe us under your Account, we may initially elect to take lesser action, such as prohibiting additional advances, reducing your credit limit, or changing the terms of the Plan by increasing your Annual Percentage and Daily Periodic Rates, Minimum Payment or collateral requirements. If we choose to take such lesser action initially, we reserve the right to terminate and accelerate all amounts due under your Account, regardless of whether any additional events have occurred which would permit termination and acceleration.

**Fees and Charges.** In order to open and maintain an account, you must pay certain fees and charges.

**Lender Fees.** The following fees must be paid to us:

| Description | Amount | When Charged |
|---|---|---|
| Loan Origination Fee : | 35.00/400.00 | At Account Opening |
| Mortgage Prep Fee: | 45.00/125.00 | At Account Opening |

**Late Charge.** Your payment will be late if it is not received by us within **10 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you 5.000% of the unpaid amount of the payment or $15.00, whichever is less.

**Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between $15.00 and $3,300.00. We estimate the breakdown of these as follows:

| Description | Amount | When Charged |
|---|---|---|
| Flood Determination: | 12.00 | At Account Opening |
| Appraisal Fee: | 250.00/750.00 | At Account Opening |
| Attorney Fee: | 250.00/750.00 | At Account Opening |
| Title Insurance: | 49.00/1554.00 | At Account Opening |
| Recording Fee: | 150.00/285.00 | At Account Opening |
| Flood - Life of Loan Fee: | 3.00 | Annually |

**PROPERTY INSURANCE.** You must carry insurance on the property that secures the Plan.

**MINIMUM PAYMENT REQUIREMENTS.** You can obtain advances of credit during the following period: up to 60 months (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES. You will make 59 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

**MINIMUM PAYMENT EXAMPLE.** If you made only the minimum payment and took no other credit advances, it would take 5 years to pay off a credit advance of $10,000.00 at an ANNUAL PERCENTAGE RATE of 8.111%. During that period, you would make 59 monthly payments ranging from $62.22 to $68.89 and one final payment of $10,068.89.

**TRANSACTION REQUIREMENTS.** The following transaction limitations will apply to the use of your Credit Line:

**Telephone Request, Request By Mail and In Person Request Limitations.** There are no transaction limitations for requesting an advance by telephone, requesting an advance by mail or requesting an advance in person.

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

**ADDITIONAL HOME EQUITY PROGRAMS.** Please ask us about our other available Home Equity Line of Credit plans.

**VARIABLE RATE FEATURE.** The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

**THE INDEX.** The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Wall Street Journal Prime. Information about the Index is available or published Wall Street Journal. We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment.

**ANNUAL PERCENTAGE RATE.** To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, divide the rounded value by 360, multiply by 365, then divide the value by 12 (monthly). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by 12 (monthly). This result is the **ANNUAL PERCENTAGE RATE.** A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS.** Your ANNUAL PERCENTAGE RATE can change Daily. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 36.500% per annum at any time during the term of the Plan.

**MAXIMUM RATE AND PAYMENT EXAMPLE.** If you had an outstanding balance of $10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 36.500% would be $310.00. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment.

**PREPAYMENT.** You may prepay all or any amount owing under the Plan at any time without penalty.

**HISTORICAL EXAMPLE.** The example below 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 from 2008 to 2022. The Index values are from the following reference period: As of 3rd Friday in November. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

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 would change in the future.

## INDEX TABLE

| Year (As of 3rd Friday in November) | Index (Percent) | Margin (1) (Percent) | ANNUAL PERCENTAGE RATE | Monthly Payment (Dollars) |
|---|---|---|---|---|
| 2008 | 4.000 | 1.000 | 5.069 | 43.06 |
| 2009 | 3.250 | 1.000 | 4.309 | 36.60 |
| 2010 | 3.250 | 1.000 | 4.309 | 36.60 |
| 2011 | 3.250 | 1.000 | 4.309 | 36.60 |
| 2012 | 3.250 | 1.000 | 4.309 | 36.60 |
| 2013 | 3.250 | 1.000 | 4.309 | |
| 2014 | 3.250 | 1.000 | 4.309 | |
| 2015 | 3.250 | 1.000 | 4.309 | |
| 2016 | 3.750 | 1.000 | 4.816 | |
| 2017 | 4.250 | 1.000 | 5.323 | |
| 2018 | 5.250 | 1.000 | 6.337 | |
| 2019 | 4.750 | 1.000 | 5.830 | |
| 2020 | 3.250 | 1.000 | 4.309 | |
| 2021 | 3.250 | 1.000 | 4.309 | |
| 2022 | 7.000 | 1.000 | 8.111 | |

(1) This is a margin we have used recently; your margin may be different.

## BORROWER ACKNOWLEDGMENT

The Borrower, after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement and further acknowledges that this Disclosure was completed in full prior to its receipt. The Borrower also acknowledges receipt of the handbook entitled "What you should know about Home Equity Lines of Credit".

**BORROWER:**

X_____ _____
**Borrower** **Date**

X_____ _____
**Borrower** **Date**

LaserPro, Ver. 21.1.0.222 Copr. Finastra USA Corporation 1997, 2022. All Rights Reserved. - LA L:\LP\CFI\LPL\B11.FC PR-123