

HOME EQUITY APPLICATION DISCLOSURE

Newburyport Five Cents Savings Bank
PO Box 350
Newburyport, MA 01950

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our Home Equity Line of Credit (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: We can terminate your account, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- (a) You engage in fraud or material misrepresentation in connection with the Plan.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- (a) The value of the dwelling securing the Plan declines significantly below its appraised value for purposes of the Plan.
- (b) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- (c) You are in default of a material obligation of the Plan.
- (d) Government action prevents us from imposing the annual percentage rate provided for under the Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- (e) A government authority has notified us that continued advances would constitute an unsafe business practice.
- (f) The maximum annual percentage rate is reached.

The initial agreement permits us to make changes to the terms of the Plan at specified times or upon the occurrence of specified events.

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
Annual Fee:	\$50.00	In January each year
NSF Handling Fee:	\$30.00	Each time a payment is returned to us for non-sufficient funds.
Termination Fee:	up to \$500.00	When paid in full and discharged within three years of origination date, unless borrower pays all closing costs.

Late Charge. If the subject property is in MA, a late fee equal to the lesser of \$10.00 or 10% of your outstanding Account balance will be charged if we have not received the full amount of your monthly payment within 15 days after the due date. If the subject property is in ME, a late fee equal to the lesser of \$10.00 or 5% of the unpaid amount of the installment will be charged if we have not received the full amount of your monthly payment within 15 days after the due date. If the subject property is in NH, a late fee of 5% of your unpaid installment will be charged if we have not received the full amount of your monthly payment within 10 days after the due date.

Third Party Fees. You must pay certain fees to third parties such as appraisers, attorneys, credit reporting firms, and government agencies. These third party fees generally total between \$00.00 and \$5,336.75. If you ask, we will give you a breakdown of the fees you are likely to owe based on your loan criteria.

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: 15 years (the "Draw Period"). After the Draw Period ends, the repayment period will begin. You will no longer be able to obtain credit advances. The length of the repayment period is as follows: 15 years. Your Regular Payment will equal the amount of your accrued FINANCE CHARGES or \$25.00, whichever is greater ("First Payment Stream"). Your payments will be due monthly. Your First Payment Stream will last for the first 180 months. 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. The Minimum Payment during the First Payment Stream may not reduce the principal that is outstanding on your Credit Line.

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After completion of the First Payment Stream, your Regular Payment will be based on an amortization of your balance at the start of this repayment period as shown below or \$25.00, whichever is greater ("Second Payment Stream"). Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	180	180 payments

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease, less interest is due, so more of the payment repays the principal balance. When rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your payment may be increased by the amount necessary to repay the balance by the end of this payment stream. Each time the ANNUAL PERCENTAGE RATE changes, we will review the effect the change has on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 30 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 7.00%. During that period, you would make 180 monthly payments ranging from \$53.70 to \$59.45. Then you would make 180 monthly payments of \$89.88.

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

In Person Request, Request By Mail, Telephone Request and Online Transfer Limitations. The following transaction limitations will apply to your Credit Line and requesting an advance in person, requesting an advance by mail, requesting an advance by telephone and accessing by other methods.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is \$500.00.

Other Transaction Requirements. Automatic Payment of the minimum monthly payment, from the Borrower's checking account held with the Lender is required to gain the benefit of a Lender credit towards closing costs. This is not a requirement for approval.

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 Prime Rate as published in The Wall Street Journal. Information about the Index is available or published in The Wall Street Journal. If there is more than one rate published as the Prime Rate, your rate will be based on the highest rate. We will use the most recent Index value available to us as of the last business day of each month or on the last day on which The Wall Street Journal was published prior to any annual percentage rate adjustment. If the index is no longer available, we will choose a new index & margin. The new index will have a historical movement substantially similar to the original index and the new index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original index becomes unavailable.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your First Payment Stream, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Daily Periodic Rate by 365 days. This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we apply a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by 365 days. This result is the ANNUAL PERCENTAGE RATE for your Second Payment Stream. 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, discount 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 monthly. 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 **18.000%** per annum or go below **4.000%** per annum at any time during the term of the Plan.

FIXED-RATE CONVERSION LOAN OPTION. During the Draw Period, you may convert a portion of the outstanding balance on your Account to a Fixed-Rate Conversion Loan with a repayment term of 60, 120, or 180 months, but not greater than the maturity date. The ANNUAL PERCENTAGE RATE for Fixed-Rate Conversion Loan will be determined at the time you request a conversion. The ANNUAL PERCENTAGE RATE is based on The Prime Rate published in the Wall Street Journal (the "Index"), plus a margin that is in effect at the date of conversion that will vary depending on the term you choose.

You may exercise the Fixed-Rate Loan Conversion Option to convert balances in your HELOC Account into Fixed-Rate Conversion Loans and have up to three (3) Fixed-Rate Conversion Loans outstanding at any one time. You may exercise a Fixed-Rate Loan Conversion Option only if:

- no default exists under the terms of the HELOC Agreement or the Mortgage which secures your HELOC Account;
- your loan is in the Draw Period;
- your right to obtain credit advances has not been terminated, suspended, or cancelled; and
- you sign all documents required by us.

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Each Fixed-Rate Conversion Loan must be for a principal amount of at least \$5,000. The total outstanding balance of your Credit Line Account, including all Fixed-Rate Conversion Loans, may not exceed the Credit Limit for your HELOC Account. The Credit Limit that is available to you for additional advances under the HELOC Agreement will be reduced by the amount of each Fixed-Rate Conversion Loan. While your HELOC Account is still in the Draw Period when a Fixed-Rate Conversion Loan is in repayment, your Available Balance will be increased by the principal amount of the Fixed-Rate Conversion Loan payment. You may select a Fixed-Rate Conversion Loan term of 5, 10, or 15 years at the time you exercise the Fixed-Rate Conversion Loan Conversion Option, provided no Fixed-Rate Conversion Loan may extend more than the maturity date of the mortgage that secures your HELOC Account. The ANNUAL PERCENTAGE RATE for a Fixed-Rate Conversion Loan will be determined at the time of conversion.

Under no circumstance can the Fixed-Rate Conversion Loan's maturity extend beyond the maturity of your Credit Line or have a repayment term of less than 60 months. The minimum monthly payment due for each Fixed-Rate Conversion Loan(s) will be in addition to the Minimum Payment due monthly for the remaining balance of your HELOC Account. At inception of each Fixed-Rate Conversion Loan, Lender will determine the minimum payment amount required to satisfy the balance of that loan in equal payments over the remaining term of the loan. Any payments made toward the outstanding principal balances of your Fixed-Rate Conversion Loans will be available for you to access under your Account once those payments have been posted. There is no fee to fee to exercise each Fixed-Rate Loan Conversion Option.

MAXIMUM RATE AND PAYMENT EXAMPLE.

Draw Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$152.88. This ANNUAL PERCENTAGE RATE could be reached during the 1st billing cycle.

Repayment Period. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$161.04. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment during the repayment period.

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 2011 to 2025. The Index values are from the following reference period: the last business day of July. 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 (the last business day of July)		Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
Draw Period	2011	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2012	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2013	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2014	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2015	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2016	3.500% ...	-0.500	4.000% (8)	\$ 33.97
	2017	4.250% ...	-0.500	4.000% (8)	\$ 33.97
	2018	5.000% ...	-0.500	4.500%	\$ 38.22
	2019	5.500% ...	-0.500	5.000%	\$ 42.47
	2020	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2021	3.250% ...	-0.500	4.000% (8)	\$ 33.97
	2022	5.500% ...	-0.500	5.000%	\$ 42.47
	2023	8.500% ...	-0.500	8.000%	\$ 67.95
	2024	8.500% ...	-0.500	8.000%	\$ 67.95
	2025	7.500% ...	-0.500	7.000%	\$ 59.45

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

(8) This A.P.R. reflects a 4.000 percent floor