



HOME EQUITY LINE OF CREDIT EARLY DISCLOSURE

Winchester Savings Bank
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In this disclosure, the words “you” and “your” refers to the recipient of this disclosure, and the words “we”, “us”, “our” and “Lender” refers to Winchester Savings Bank.

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

RETENTION OF INFORMATION. This disclosure contains important information about our Home Equity Line of Credit Interest Only Account (“Account”). You should read it carefully and keep a copy for your records.

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.

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.

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; you do not meet the repayment terms; and/or your action or inaction adversely affects the collateral or our rights in the collateral. You acknowledge and agree that you will be in Default if the collateral securing this account is your home and you move out.

We can refuse to make additional extensions of credit or reduce your credit limit if any of the following actions occur:

- The value of the dwelling securing the Account declines significantly below its appraised value for purposes of the Account.
- 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 or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum Annual Percentage Rate is reached.

FEE FOR EARLY DISCHARGE. If you pay off all of your obligations under the Note and request a Discharge within 24 months of the date on your Home Equity Agreement and TIL Disclosure Statement, you **MUST** pay Lender an amount equal to 1.00% of your credit limit. The **FEE FOR EARLY DISCHARGE** shall not apply if you are taking another residential mortgage loan from Winchester Savings Bank at the time that you request the Discharge of your mortgage.

MINIMUM PAYMENT REQUIREMENTS. You may request advances of credit for 15 years (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. Your minimum monthly payment during the draw period will not reduce your outstanding principal balance.

After the draw period ends, you will no longer be able to obtain credit advances and you must pay the outstanding balance over 5 years (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum monthly payment will equal 1/60th of the balance that was outstanding at the end of the draw period, plus accrued finance charges as of the closing date of each billing statement. Your minimum monthly payment will change if the Annual Percentage Rate changes, and may change as often as monthly.

During the Draw Period and the Repayment Period, your minimum monthly payment will also include any past due amounts and any amount by which you have exceeded your credit limit, and all other applicable charges.

MINIMUM-PAYMENT EXAMPLE. If you made only the minimum monthly payments 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 3.75%. During the Draw Period, you would make 180 monthly payments of \$31.25. During the Repayment Period, you would make 60 monthly principal payments of \$166.67, plus interest of \$31.25 for the first payment.

EXTRA PAYMENTS AND BALANCE PAYDOWN. Payments greater than the minimum may be made on the Line. Extra payments will first be applied to billed finance charges and then to the principal balance. The balance may be paid off at any time.

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 for a billing statement is based on the value of an index. This Annual Percentage Rate does not include costs other than interest. The index is the Wall Street Journal published Prime Rate ("Index") (if published in a range, the highest number in the range will be used) in effect on the last business day of the previous month. To determine the Annual Percentage Rate that will apply to your Account, we subtract a margin from the value of the index. 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.

RATE CHANGES. The Annual Percentage Rate can change monthly as the Index changes. The maximum **ANNUAL PERCENTAGE RATE** that can apply to the Account is 15.500%. 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 rate ever be less than 2.990% per annum.

FEES AND CHARGES. To open and maintain your Account, you must carry insurance on the property securing your Account. We will waive the closing costs (except the appraisal fee or applicable Trust fees, or fees required to properly record the Mortgage). Appraisal fees range from \$375.00 to \$575.00. Trust fees range from \$75 to \$1,500.00. If you tell us you have decided not to enter into the Account within three business days of receiving this Disclosure and the 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.

LATE FEE DURING REPAYMENT PERIOD. If you make a payment more than 15 days late during the Repayment Period, you will be charged a Late Charge equal to the lesser of 10% of the outstanding balance or \$10.00.

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

MINIMUM TRANSACTION REQUIREMENTS. The minimum credit advance you can receive is \$500.00. There is not a minimum balance requirement. Any attempt to access your Account for less than this minimum may be denied by the Lender and any access device written for less than this minimum may be returned unpaid by the Lender.

MAXIMUM-RATE AND PAYMENT EXAMPLE. If the **ANNUAL PERCENTAGE RATE** during the Draw Period equaled the 15.500% maximum and you had an outstanding balance of \$10,000.00, your minimum payment would be \$129.17. 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 first minimum payment at the maximum **ANNUAL PERCENTAGE RATE of 15.500%** would be \$295.84.

HISTORICAL EXAMPLE

The following table shows how your payments would have changed under this Home Equity Loan Program based on actual changes in the index from 2004 to 2018. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions:

Amount: \$10,000.00

Term: Monthly Variable, Interest Only, 15 Year Draw Period

Margin: Prime Rate minus .75%

Minimum Annual Percentage Rate: 2.99%

Maximum Annual Percentage Rate: 15.50%

Index: Prime Rate as Published in the Wall Street Journal on the Last Business Day of the Previous Year.

Year	Index (%)	Margin * (%)	ANNUAL PERCENTAGE RATE ** (%)	Minimum Periodic Payment (\$)
2004	4.000%	-0.75	3.25%	\$27.08
2005	5.250%	-0.75	4.50%	\$37.50
2006	7.250%	-0.75	6.50%	\$54.17
2007	8.250%	-0.75	7.50%	\$62.50
2008	7.250%	-0.75	6.50%	\$54.17
2009	3.250%	-0.75	4.75% ****	\$39.58
2010	3.250%	-0.75	4.00% ****	\$33.33
2011	3.250%	-0.75	3.99% ****	\$33.25
2012	3.250%	-0.75	2.99% ***	\$24.92
2013	3.250%	-0.75	2.99% ***	\$24.92
2014	3.250%	-0.75	2.99% ***	\$24.92
2015	3.500%	-0.75	2.99% ***	\$24.92
2016	3.500%	-0.75	2.99% ***	\$24.92
2017	3.750%	-0.75	3.00%	\$25.00
2018	4.500%	-0.75	3.75%	\$31.25

* This reflects a .75% discount (our current offering).
 ** This reflects the Prime Rate minus the margin, and may be subject to a Minimum APR.
 *** This amount reflects the current Minimum APR Floor.
 **** This amount reflects the minimum APR floor for the corresponding year.