

**HOME EQUITY LINE OF CREDIT  
EARLY DISCLOSURE  
HELOC Promo**

**The Fidelity Deposit and Discount Bank  
Drinker and Balkely Streets  
Dunmore, Pennsylvania 18512  
(570)342-8281  
www.bankatfidelity.com**

In this disclosure the words "you" and "your" mean the recipient of this disclosure, and the words "we," "us" and "our" mean The Fidelity Deposit and Discount Bank, the Lender listed above. "e" means an estimate.

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

**RETENTION OF INFORMATION.** This disclosure contains important information about our home equity line of credit, Home Equity Line of Credit Promotion ("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; or you do not meet the repayment terms; or your action or inaction adversely affects the collateral or our rights in the collateral; and/or federal law dealing with credit extended by us to you specifically requires that as a condition of your Account the credit shall become due and payable on demand.

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.

**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 0.556% of the outstanding principal balance plus accrued interest 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 180 months (the "Repayment Period"). Your minimum periodic payment during the Repayment Period will be determined based on the outstanding balance of your Account at the beginning of the Repayment Period and using the interest rate in effect at the beginning of the Repayment Period to calculate equal monthly payments which will fully amortize your Account.

**MINIMUM-PAYMENT EXAMPLE.** If you made only the minimum monthly payments and took no other credit advances, it would take 20.00 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 3.50%. During the Draw Period, you would make 60 monthly payments varying between \$84.77 and \$61.00. During the Repayment Period, you would make 179 monthly payments of \$51.16. This would be followed by one final payment of \$51.75.

**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 Maintenance Fee		\$30.00	***
Documentation Fee	POCB	\$180.00	**

\*\* Payable at closing

\*\*\* Chargeable as a credit advance to your Account

You must also pay certain fees to third parties. These fees generally total between \$260.00 and \$680.00. The following are the third party fees you must pay:

Appraisal Fee payable to Third Party	POCB	\$350.00
Experian Credit Report payable to CBC Innovis	POCB	\$8.00
Tax Service Fee payable to Tiger Abstract	POCB	\$97.00
Flood Certification payable to Tiger Abstract	POCB	\$11.00
Property Search payable to Tiger Abstract	POCB	\$50.00
Deed / Mortgage / Release payable to Recorder of Deeds	POCB	\$99.50 e

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.



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

**OTHER PRODUCTS.** If you ask, we will provide you with information on our other available home equity products.

**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 the Wall Street Journal published Prime Rate ("Index") (if published in a range, the highest number in the range will be used) 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 initial Annual Percentage Rate is a discount rate -- it is not based on the index used for later rate adjustments. The initial rate will be in effect for 3 months. Ask us for the current index value, margin, discount 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 first Annual Percentage Rate change for this Account does not occur with the same frequency as later changes. The first Annual Percentage Rate change for this Account will occur On the anniversary date of the 3rd month. Thereafter, the Annual Percentage Rate can change daily. The maximum **ANNUAL PERCENTAGE RATE** 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 rate ever be less than 3.500% per annum.

**CONVERSION OPTION.** You may at one time, during your draw period, convert all or a portion of your outstanding Home Equity Line of Credit to a fixed rate and term. Your fixed rate and term will be determined on the date of conversion and will be equal to a rate and term available for a fixed rate home equity loan on that date. The minimum conversion amount is Ten Thousand Dollars (\$10,000.00). You may exercise this option unless you are in default or your advance privileges are suspended or terminated. Your credit line limit will be reduced by the conversion amount.

Your new monthly payment will be a fixed dollar amount determined on the date of conversion.

A conversion fee of One Hundred Dollars (\$100.00) will be charged and payable by you at the time of conversion.

**PREFERRED RATE FEATURE.** To qualify for the promotional rate you must have a minimum credit score of 710, maximum loan to value of 80% and borrowing a minimum loan amount of \$25,000 which is not currently borrowed with Fidelity Bank. Your APR is fixed at .99% for the first three months from the date of inception. Thereafter, your APR will be based on a variable rate index as stated in this disclosure.

**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 \$205.60. 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 \$161.04. 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 14 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 rate 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
2003	4.250%	0.750%	4.010% ****	\$89.02
2004	4.000%	0.750%	4.750%	\$89.02
2005	5.250%	0.750%	6.000%	\$92.38
2006	7.500%	0.750%	8.250%	\$101.74
2007	8.250%	0.750%	9.000%	\$99.94 <sup>1/</sup> <sub>-</sub>
2008	6.000%	0.750%	6.750%	\$63.33
2009	3.250%	0.750%	4.000%	\$53.48
2010	3.250%	0.750%	4.000%	\$53.48
2011	3.250%	0.750%	4.000%	\$53.48
2012	3.250%	0.750%	4.000%	\$53.48
2013	3.250%	0.750%	4.000%	\$53.48
2014	3.250%	0.750%	4.000%	\$53.48
2015	3.250%	0.750%	4.000%	\$53.48
2016	3.500%	0.750%	4.250%	\$53.93

\* This is a margin we have used recently.

\*\*\*\* This rate reflects an initial discount we have used recently.

<sup>1/</sup> Draw period ends on the 60th month.

Historical information for the above-described index is available only for the years indicated in the table.

**ADDITIONAL PROVISIONS.**

**Flood Insurance:** You agree to insure the Collateral against loss by flood, for which the Lender requires flood insurance. You may obtain flood insurance through a company of your choice, subject to Lender's reasonable approval. You agree to maintain this insurance in the amounts and for the periods the Lender requires. You also agree to pay any costs associated with obtaining and maintaining such insurance. You agree to name the Lender at the Bank's request as mortgagee in the insurance policy and to deliver satisfactory evidence of such insurance to the Lender upon request.

**Repayment Period:** During the repayment period, your periodic payment will be analyzed on an annual basis and will reamortize if required.

**Late Payment:** If a minimum monthly payment is more than 15 days late, the Lender will impose a late charge of \$20.00 or 10% of the amount past due, whichever is greater.

**Over Limit Fee:** An over limit fee of \$20.00 will be added to your loan balance in the event you go over your credit limit.

**Stop Payment Fee:** If you need a stop payment on an account check you will be assessed a \$30.00 stop payment fee. At the Lender's discretion, any and all such fees may be added to your outstanding balance as an advance.

**Mortgage Satisfaction Fee:** \$95.00 will be added to your final payoff amount.

