

Mid America Bank  
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Web Address: [www.midambk.com](http://www.midambk.com)

Lender

Borrower

## HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

**1. 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 that you have paid to us or anyone else in connection with your application.

**2. 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.

**3. POSSIBLE ACTIONS.** Under certain circumstances, we can:

- A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment and impose fees upon termination;
- B. Refuse to make additional extensions of credit;
- C. Reduce your credit limit; and
- D. As specified in the initial agreement, implement certain changes in the plan.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- A. You fail to make a payment as required by the agreement;
- B. Your action or inaction adversely affects the collateral or our rights in the collateral; or
- C. There is fraud or material misrepresentation by the consumer in connection with the plan.

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

- A. The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- B. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- C. You are in default of a material obligation of the agreement;
- D. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- F. The maximum annual percentage rate is reached.

**4. CHANGING THE TERMS OF THIS AGREEMENT.** Generally, the terms of this Agreement cannot be changed. I do, however, agree to the changes listed here.

- A. You may make changes that I agree to in writing.
- B. You may make changes that unequivocally benefit me.
- C. You may make changes to insignificant terms of this Agreement.

D. You may change the Index and margin if the original Index becomes unavailable. Any replacement index must have historical fluctuations similar to the original, and together with the margin, produce a similar interest rate. If the replacement index is newly established and does not have any rate history, it must, together with the replacement margin, produce an annual percentage rate substantially similar to the rate in effect when the original index became unavailable.

I also agree to the additional changes you may make as described elsewhere in this Agreement. You will send any notice of a change in terms to my address listed in this Agreement. I agree to inform you of any change in my address.

**5. MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 120 months (the "draw period"). During this period, payments will be due monthly. Your minimum monthly payment will equal the following:

\* The amount of accrued finance charges on the last day of the billing cycle.

The minimum payment amount will be rounded up to the nearest \$.01. The minimum monthly payments during the draw period will not reduce the principal that is outstanding on your line of credit.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your line of credit (the "repayment period.") The length of the repayment period is 120 months. During the repayment period, payments will be due monthly. Your minimum monthly payment will equal the following:

\* An amortized payment of the loan account balance on the last day of the draw period. This balance will be amortized over 120 months.

The minimum payment will change whenever the annual percentage rate changes. The minimum payment amount will be rounded to the nearest \$.01. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit by the end of the repayment period. If they are not, you will, to the extent permitted by law, be required to pay the entire balance in a single payment.

**6. MINIMUM PAYMENT EXAMPLE.** If you made only the minimum monthly payment 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 8.75%. During that period, you would make 120 payments of \$72.92 followed by 119 payments of \$125.32, with a final payment of \$126.56.

**7. FEES AND CHARGES.** To open and maintain a line of credit, you must pay the following fees to us at account opening:

\* Loan: \$375.00

Note that some fees may only apply upon the occurrence of an event and have been provided for informational purposes only.

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$550.00. The following are an estimate of third-party fees:

\* Appraisal: \$550.00

You must carry insurance on the property that secures the line of credit.

**8. REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

**9. NEGATIVE AMORTIZATION.** Under some circumstances, your monthly payment will not cover the finance charges that accrue and "negative amortization" will occur. Negative amortization will increase the amount that you owe us and reduce your equity in your home.

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

**11. VARIABLE RATE FEATURES.** This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result. The annual percentage rate includes only interest and not other costs. The annual percentage rate is based on the value of an index. The index is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

**12. RATE CHANGES.** The annual percentage rate can change monthly. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 18.000 percent. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 4.000 percent.

**13. MAXIMUM RATE AND PAYMENT EXAMPLES.** If you had an outstanding balance of \$10,000.00 at the beginning of the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 percent would be \$150.00. The maximum annual percentage rate during the draw period, could be reached in the 1st month (1 month) following an initial hold of 1 month.

If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 percent would be \$180.18. The maximum annual percentage rate during the repayment period, could be reached in the 2nd month (2 months).

**14. HISTORICAL EXAMPLES.** 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 last 15 years. The index values are from the first business day of January. 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 payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2012	3.250	2.000	5.250	43.75
2013	3.250	2.000	5.250	43.75
2014	3.250	2.000	5.250	43.75
2015	3.250	2.000	5.250	43.75
2016	3.500	2.000	5.500	45.83
2017	3.750	2.000	5.750	47.92
2018	4.500	2.000	6.500	54.17
2019	5.500	2.000	7.500	62.50
2020	4.750	2.000	6.750	56.25
2021	3.250	2.000	5.250	43.75
2022 (O)	3.250	2.000	5.250	107.29
2023	7.500	2.000	9.500	127.30
2024	8.500	2.000	10.500	131.82
2025	7.500	2.000	9.500	127.78
2026	6.750	2.000	8.750	125.18

\* This is a margin we have used recently; your margin may be different.

(O) The repayment period begins in this year.

This is not a commitment to make a loan.



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## FACTS

### WHAT DOES MID AMERICA BANK DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and checking account information
- Account balances and payment history
- Credit history and credit scores

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Mid America Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Mid America Bank share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

#### Questions?

Call 573-635-0019 or go to [www.midambk.com](http://www.midambk.com)

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## What we do

<b>How does Mid America Bank protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  We maintain physical, electronic and procedural safeguards to protect this information.
<b>How does Mid America Bank collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ Open an account or deposit money</li> <li>■ Apply for a loan or pay your bills</li> <li>■ Use your debit card</li> </ul>
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <i>Mid America Bank does not share with our affiliates.</i></li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <i>Mid America Bank does not share with nonaffiliates so they can market to you</i></li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ <i>Our joint marketing partners include financial product or services companies</i></li> </ul>