

North American Savings Bank, F.S.B.

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Lender

KS_HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our KS_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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees;
 - B. Refuse to make additional extensions of credit;
 - C. Reduce your credit limit; and
 - D. Make specific changes that are set forth in your agreement with us.

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

- A. You fail to make a payment as required by the agreement; or
- B. Your action or inaction adversely affects the collateral 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 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.

The initial agreement permits us to make certain changes in the terms of the line of credit at specified times or upon the occurrence of specified events.

4. **MINIMUM PAYMENT REQUIREMENTS.** You can obtain credit advances for 10 years. During this period, payments will be due monthly. Your minimum monthly payment will equal the following:

* 1.000 percent of the principal balance outstanding on the last day of the billing cycle.

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 at the end of 10 years. If they are not, you will, to the extent permitted by law, be required to pay the entire balance in a single payment.

5. **MINIMUM PAYMENT EXAMPLE.** If you made only the minimum monthly payment and took no other credit advances, it would take 10 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 5.250%. During that period, you would make 119 payments varying between \$100.00 and \$51.39, with a final payment of \$5,132.95.

6. **FEES AND CHARGES.** You must carry insurance on the property that secures the line of credit.

7. **REFUNDABILITY OF FEES.** If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. **MINIMUM DRAW REQUIREMENTS.** The minimum credit advance that you can receive is \$500.00. The minimum initial credit advance must be at least \$1,000.00.

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 and then round to the nearest .001 percent. 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 lifetime floor to your **ANNUAL PERCENTAGE RATE** will be selected from the following range: between 5.000 percent and 5.250 percent. Ask us for the specific rate limitation that will apply to your line of credit. This line of credit has "preferred rate" provisions. This means that if you close your existing deposit account(s) with us, your annual percentage rate will increase. If you close your existing deposit account(s) with us, your new **ANNUAL PERCENTAGE RATE** will be determined by adding 0.250 percentage point(s) to the index value plus margin value normally used to calculate your annual percentage rate. This new annual percentage rate may be affected by rate caps. This means that if you terminate your automatic debit agreement with us, your annual percentage rate will increase. If you terminate your automatic debit agreement with us, your new **ANNUAL PERCENTAGE RATE** will be determined by adding 0.250 percentage point(s) to the index value plus margin value normally used to calculate your annual percentage rate. This new annual percentage rate may be affected by rate caps.

13. MAXIMUM RATE AND PAYMENT EXAMPLES. If you had an outstanding balance of \$10,000.00 the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 percent would be \$100.00. The maximum annual percentage rate could be reached in the 1st month (1 month) following an initial hold of 1 month.

14. ADDITIONAL TERMS. Upon payment of all sums secured by this Security Instrument, lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security

15. 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 December. 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 (\$)
2000	9.500	1.000	10.500	100.00
2001	5.000	1.000	6.000	98.51
2002	4.250	1.000	5.250	92.76
2003	4.000	1.000	5.250 (K)	86.69
2004	5.000	1.000	6.000	81.01
2005	7.000	1.000	8.000	76.28
2006	8.250	1.000	9.250	73.29
2007	7.500	1.000	8.500	71.30
2008	4.000	1.000	5.250 (K)	68.84
2009	3.250	1.000	5.250 (K)	64.34 (P)
2010	3.250	1.000	5.250 (K)	N/A
2011	3.250	1.000	5.250 (K)	N/A
2012	3.250	1.000	5.250 (K)	N/A
2013	3.250	1.000	5.250 (K)	N/A
2014	3.250	1.000	5.250 (K)	N/A

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

(K) This reflects a lifetime floor of 5.250 percent.

(P) At the end of this year a balloon payment of \$6,073.06 would occur. You would be required to pay the entire balance in one payment.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure and a copy of the Home Equity Brochure on today's date.

Signature Date

Signature Date