



IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

17 Pope Street • Hudson, MA 01749

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

**Availability of Terms** – All of the terms disclosed 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.

**Security Interest** – We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

**Possible Actions** – Under certain circumstances, we can (1) terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees; (2) refuse to make additional extensions of credit; (3) reduce your credit limit; and (4), as specified in the initial agreement, implement certain changes in the plan. If you ask, we will give you more specific information concerning when we can take these actions.

**Minimum Payment Requirements** – You can obtain advances of credit for **10** years (the “draw period”). During the draw period, payments will be due monthly. Your minimum monthly payment will equal all accrued finance charges, plus any amount past due. Interest only payments **will not** reduce the amount of principal outstanding on this loan.

After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over **10** years (the “repayment period”). During the repayment period, payments will be due monthly. Your minimum monthly payment will equal **1/120th** of the principal balance that was outstanding at the end of the draw period plus the finance charges that have accrued on the remaining balance, plus any amounts past due.

**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 at an **ANNUAL PERCENTAGE RATE** of **5.25%**. During that period, you would make **120** monthly payments varying between **\$44.47** and **\$40.27** followed by **120** monthly payments varying between **\$127.92** and **\$83.70**.

**Fees and Charges** – To open and maintain a line of credit, you must pay the following

fees to us: Application Fee: \$\_\_\_\_\_ (due at application)

Points \_\_\_\_\_% of credit line (due when account opened)

Annual Maintenance Fee: \$\_\_\_\_\_ (due each year)

Other: \_\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_

Other: \_\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_

You also must pay certain fees to third parties to open a line. These fees generally total between **\$ 0.00** and **\$ 750.00**

If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Early Termination Fee** – If you terminate this loan and request a discharge of the mortgage securing this line of credit within **36** months, you will be obligated to pay to us an Early Termination Fee of **\$650.00**.

**Property Insurance** – You must carry insurance on the property that secures this line of credit.

**Minimum Draw Requirements** – There is no minimum credit advance you can receive.

**Tax Deductibility** – You should consult a tax advisor regarding the deductibility of interest and charges for the line.

**Variable Rate Information** – The line has a variable-rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum 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 Prime Rate published in the Money Rates section of The Wall Street Journal (if more than one Prime Rate is published, the higher rate shall be used), as most recently published at the beginning of each monthly billing cycle.

To determine the annual percentage rate, we apply a margin to the value of the index.

Ask us for the current index value, margin, discount if applicable and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Rate Changes** – The annual percentage rate may change at the beginning of each monthly billing cycle. The maximum **ANNUAL PERCENTAGE RATE** that can apply is **18.0%**. The minimum **ANNUAL PERCENTAGE RATE** that can apply is **3.75%\***.

Other than as disclosed in this paragraph, there are no annual or more frequent periodic limitations on changes in the Annual Percentage Rate.

**Maximum Rate and Payment Examples** – If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of **18.0%** would be **\$152.88**. This annual percentage rate could be reached during of the **1st** monthly billing cycle of the draw period.

If you had an outstanding balance of \$10,000 at the beginning of the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of **18.0%** would be **\$236.21**. This annual percentage rate could be reached at the start of the **1st** monthly billing cycle of the repayment period.

**Automatic Payment Authorization.** (if applicable). If you authorize us to pay the minimum monthly installment due each month withdrawing funds from your deposit account during the term of the loan, then the rate of interest on the Note will be lowered (by **0.50** percentage point(s)) in consideration of your authorization to charge all installments coming due on this Note to your deposit account. In the event that the deposit account is closed or there is an insufficient balance in said account to pay a regularly scheduled payment due on this Note, we may terminate such authorization and increase the interest rate payable on the outstanding balance of this Note by **0.50** percentage point(s) after sending notice to you that such higher rate of interest will be charged.

**Conversion Option** – During the Draw Period, at your discretion, you may elect to convert a portion of your outstanding Account balance, but not less than \$5,000.00, to a fixed-rate, fixed-term loan (“Fixed-Rate Conversion Loan”). No Fixed-Rate Conversion Loan, however, may bear either a maturity date that extends beyond the maturity date of this Agreement or a repayment term of less than 24 months. Each Fixed-Rate Conversion Loan will be assessed a \$50.00 one-time processing fee. You may have up to 3 Fixed-Rate Conversion Loans outstanding at any one time. The fixed interest rate for each portion of your credit-line balance converted to a Fixed-Rate Conversion Loan will be the rate at which Avidia Bank is offering fixed rate Home Equity Loans for the same term as the Fixed-Rate Conversion Loan at the time the conversion is requested. At the 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 repayment term of the Loan. Your minimum payment due each month will be the sum of the fixed payment amount for each Fixed-Rate Conversion Loan, plus the minimum payment amount for the balance owed under this Agreement

**Historic Example** – The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the past **15** years. The index values are from the last business day in the Index month 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 each month, 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	REPAYMENT PERIOD STARTS	DECEMBER INDEX RATE	MARGIN This is a margin we have used recently	*ANNUAL PERCENTAGE RATE (Rounded, if applicable)	MINIMUM MONTHLY PAYMENT
2005	<input type="checkbox"/>	7.25%	+0.50	7.75%	\$65.82
2006	<input type="checkbox"/>	8.25%	+0.50	8.75%	\$74.32
2007	<input type="checkbox"/>	7.25%	+0.50	7.75%	\$65.64
2008	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2009	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2010	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2011	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.76
2012	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2013	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2014	<input type="checkbox"/>	3.25%	+0.50	3.75%*	\$31.85
2015	<input checked="" type="checkbox"/>	3.50%	+0.50	3.75%*	\$117.21
2016	<input type="checkbox"/>	3.75%	+0.50	4.25%	\$115.82
2017	<input type="checkbox"/>	4.50%	+0.50	5.00%	\$117.30
2018	<input type="checkbox"/>	5.50%	+0.50	6.00%	\$119.00
2019	<input type="checkbox"/>	4.75%	+0.50	5.25%	\$110.01

\* The Annual Percentage Rate has been adjusted to reflect any applicable interest rate caps.