Home Equity Disclosure Booklet

People's United Bank
peoples.com

Effective June 2018

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Home Equity Disclosure

***Product:** HELOC = Home Equity Line of Credit
HEL = Home Equity Loan
ALL = Home Equity Line of Credit, Home Equity Loan

AUTHORIZATION TO OBTAIN CREDIT REPORT
Before you make an application for credit, please note that all applicants must authorize People's United Bank, N.A. ("People's United") to obtain a credit report for each applicant. The information contained in the report will be used as part of the underwriting process. If you are unwilling to allow People's United to obtain a credit report, we cannot start the application process.

SECTION I: WHAT YOU SHOULD KNOW ABOUT HOME EQUITY LINES OF CREDIT
If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

HOME EQUITY PLAN CHECKLIST

Ask your lender to help fill out this checklist.

Basic features for comparison	**Plan A**	**Plan B**
Fixed annual percentage rate	**%**	**%**
Variable annual percentage rate	**%**	**%**
• Index used and current value	**%**	**%**
• Amount of margin		
• Frequency of rate adjustments		
• Amount/length of discount (if any)		
• Interest rate cap and floor		
Length of plan		
Draw period		
Repayment period		
Initial fees		
Appraisal fee		
Application fee		
Up-front charges, including points		
Closing costs		
Repayment Terms		
During the draw period		
Interest and principal payments		
Interest-only payments		
Fully amortizing payments		
When the draw period ends		
Balloon payment?		
Renewal available?		
Refinancing of balance by lender?		

What is a home equity line of credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because the home often is a consumer's most valuable asset, many homeowners use home equity credit lines only for major items such as education, home improvements, or medical bills and choose not to use them for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (say, 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage.

For example:

Appraised value of your home	$100,000
Percentage	x 75%
Percentage of appraised value	= $75,000
Less balance owed on mortgage	– $40,000
Potential line of credit	**$35,000**

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest), by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line. There may be other limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, $300) and to keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember though, that the APR for a home equity line is based on interest rate alone and will not reflect the closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

Variable Interest rates

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time plus a "margin," such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines — an "introductory " rate that is unusually low for a short period, such as six months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or let you convert all or a portion of your line to a fixed-term installment loan.

Costs of establishing and maintaining a home equity line
Many of the costs of setting up a home equity line of credit are similar to those you pay when you get a mortgage.

For example:

- A fee for a property appraisal to estimate the value of your home.
- An application fee, which may not be refunded if you are turned down for credit.
- Up-front charges, such as one or more points (one point equals 1 percent of the credit limit).
- Closing costs, including fees for attorneys, title search, and mortgage preparation and filing; property and title insurance; and taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. And if you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all of the closing costs.

How will you repay your home equity plan?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set a minimum payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But, unlike with typical installment loan agreements the portion of your payment that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of only the interest during the life of the plan, which means that you pay nothing toward the principal. If you borrow $10,000, you will owe that amount when the payment plan ends.

Regardless of the minimum required payment on your home equiy line, you may choose to pay more, and many lenders offer a choice of payment options. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan — whether you pay some, a little, or none of the principal amount of the loan — when the plan ends you may have to pay the entire balance owed, all at once. You must be prepared to make this “balloon payment” by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow $10,000 under a plan that calls for interest-only payments. At a 10 percent interest rate, your monthly payments would be $83. If the rate rises over time to 15 percent, your monthly payments will increase to $125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to sell your home in the near future, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also keep in mind that renting your home may be prohibited under the terms of your agreement.

Lines of credit vs. traditional second mortgage loans

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money repayable over a fixed period. In most cases the payment schedule calls for equal payments that will pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan takes into account the interest rate charged plus points and other finance charges.

- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.

Disclosures from Lenders
The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable-rate feature) changes before the plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change. When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you 3 days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the 3-day period. The lender must then cancel its security interest in your home and return all fees — including any application and appraisal fees — paid to open the account.

What if the lender freezes or reduces your line of credit?
Plans generally permit lenders to freeze or reduce a credit line if the value of the home "declines significantly" or, when the lender "reasonably believes" that you will be unable to make your payments due to a "material change" in your financial circumstances. If this happens, you may want to:

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a "material change" in your financial circumstances. You may want to get copies of your credit reports (go to the CFPB's website at http://www.consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html for information about free copies) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.

- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. If another lender is willing to offer you a line of credit, you may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

GLOSSARY

Annual membership or maintenance fee: An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

Annual percentage rate (APR): The cost of credit expressed as a yearly rate. For closed end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees and other credit charges that the borrower is required to pay. An APR or equivalent rate is not used in leasing agreements.

Application fee: Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.

Balloon payment: A large extra payment that may be charged at the end of the mortgage loan or lease.

Cap (interest rate): A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. *Periodic adjustment caps* limit the interest-rate increase from one adjustment period to the next. *Lifetime caps* limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

Closing or settlement costs: Fees paid when you close (or settle) on a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorney's fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or a range.

Credit limit: The maximum amount that may be borrowed on a credit card or under an equity line of credit plan.

Equity: The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.

Index: The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time.

See also Selected Index Rates for ARMs over an 11-year Period (www.federalreserve.gov/pubs/arms/arms_english.htm) for examples of common indexes that have changed in the past.

Interest rate: The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual rate.

Margin: The number of percentage points the lender adds to the index rate to calculate the adjustable-rate-mortgage interest rate at each adjustment.

Minimum payment: The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.

Points (also called discount points): One point is equal to 1 percent of the principal amount of a mortgage loan. For example, if a mortgage is $200,000, one point equals $2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller, or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and the total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.

Security interest: If stated in your credit agreement, a creditor, lessor or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement.

Transaction fee: A Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or cash advance fee.

Variable rate: An interest rate that changes periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

WHERE TO GO FOR HELP

For additional information or to submit a complaint, you can contact the Consumer Financial Protection Bureau (CFPB):

P.O. Box 4503
Iowa City, IA 52244
(855) 411-CFPB (2372)
www.consumerfinance.gov

SECTION II: IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit (the line of credit). You should read it carefully and retain it for your records.

Availability of Terms: All of the terms described below are subject to change.

If these terms change (other than changes due to changes in the value of the index, as described below), 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 mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions: We can (1) terminate your line of credit, 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; or (3) reduce your credit limit if:

- You engage in fraud or material misrepresentation in connection with the line of credit.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit.
- 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 for 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.

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

Minimum Payment Requirements: You can obtain advances of credit for 9 1/2 years (the “draw period”). The draw period will begin on the fourth business day after you enter into the line of credit. During the draw period, payments will be due monthly. Your minimum monthly payments will be equal to the finance charges that accrued on the outstanding balance during the preceding month plus any fees or charges due and any amounts past due. During the draw period, the minimum payment 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 repay the outstanding balance (the “repayment period”). The length of the repayment period will depend on the outstanding balance at the end of the draw period, but will not be more than 20 years. During the repayment period, payments will be due monthly and will equal 1/240th (0.417%) of the outstanding balance on your line of credit at the end of the draw period, or $25, whichever is greater, plus in either case finance charges that accrued on the outstanding balance, plus any fees or charges due and any amounts past due.

Minimum Payment Example: If you made only the minimum monthly payments and took no other credit advances, it would take 29 1/2 years to pay off a Loan Advance of $10,000 at an ***Annual Percentage Rate*** of 5.125%. During that period, you would make 114 monthly payments of $42.71 followed by 240 monthly payments varying between $84.38 and $41.84.

Fees and Charges: To open and maintain a line of credit, you must pay the following fees to us:

For All Lines:

- Annual Fee: $75.00
- Service Fees: There are service charges equal to those charges being imposed by Lender for regular type checking accounts, such as “return items”. Ask us for our current rate structure for such charges.

Fees to Third Parties, if applicable:*

- Title Insurance: $100 to $3,000
- New York Mortgage Tax: For lines greater than $750,000 up to $2,000,000 fees may apply that generally range between $10,766 and $56,000.
- Appraisal Fees: For lines greater than $750,000 appraisal fees ranging between $490 - $1,000 may apply.
- If you wish your attorney to conduct the closing, you may do so provided you agree to pay the attorney’s fee.

NOTE: Amount of fees* you may pay are contingent upon line amount, State and County where property is located and type of property.

*If you ask, we will give you an itemization of these fees.

Prepayment Fee: If you close your line of credit within two (2) years after the date on the Note, you must pay a prepayment fee of $500. In addition, if this Note is secured by property located in the State of New York, you must also pay People’s United Bank back the mortgage tax paid by People’s United at the time of origination of the Note. After two years there is no prepayment fee.

Minimum Draw Requirements: The minimum credit advance you can receive is $500.

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

Variable Rate Information: The 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 highest United States prime rate published in the Eastern Edition of *The Wall Street Journal* on the last business day before the start of a billing cycle. To determine the annual percentage rate that will apply to your line of credit, we add or subtract a margin to the value of the index. Your margin will depend on the amount of your line of credit and certain other circumstances.

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.

Rate Changes: The annual percentage rate can change each month. The maximum ***Annual Percentage Rate*** that can apply is 18%. Except for this 18% cap, there is no limit on the amount by which the rate can change during any one-year period. Rate information will be provided with each periodic statement that we send you.

Auto Deduct Rate: You will receive the margin stated in your Home Equity Line of Credit Note, Agreement and Disclosure Statement so long as you continue to make your payment using auto deduct from a People's United checking account throughout the term of your home equity line of credit. If you do not satisfy this condition, your margin will increase by ¼ of 1% (0.25%). This will mean that your interest rate and Annual Percentage Rate will increase by ¼ of 1% (0.25%).

Maximum Rate and Payment Examples: The maximum ***Annual Percentage Rate*** that can be reached during the life of the plan will be 18%. If you had an outstanding balance of $10,000 during the draw period and if the maximum ***Annual Percentage Rate*** of 18% were in effect, the minimum monthly payment at the maximum ***Annual Percentage Rate*** would be $150. This annual percentage rate could be reached on the first day of the first complete billing cycle.

If you had an outstanding balance of $10,000 at the beginning of the repayment period, and if the maximum **ANNUAL PERCENTAGE RATE** of 18% were in effect, the minimum monthly payment at the maximum ***Annual Percentage Rate*** would be $191.67. This annual percentage rate could be reached during the first month of the repayment period.

Historical Example: The following table shows how the annual percentage rate and the minimum monthly payments for a single Loan Advance of $10,000 on a line of credit of less than $50,000 would have changed based on changes in the index over the past 15 years. The index values are from the first week in June 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	Index (%)	Margin* (%)	Annual Percentage Rate (%)	Minimum Monthly Payment
Draw Period:				
2004	4.00	1.24	5.24	43.67
2005	6.00	1.24	7.24	60.33
2006	8.00	1.24	9.24	77.00
2007	8.25	1.24	9.49	79.08
2008	5.00	1.24	6.24	52.00
2009	3.25	1.24	4.49	37.42
2010	3.25	1.24	4.49	37.42
2011	3.25	1.24	4.49	37.42
2012	3.25	1.24	4.49	37.42
2013	3.25	1.24	4.49	37.42
Repayment Period:				
2014	3.25	1.24	4.49	78.15
2015	3.25	1.24	4.49	76.28
2016	3.50	1.24	4.74	76.23
2017	4.00	1.24	5.24	77.69
2018	4.75	0.375	5.125	74.77

* This is a margin we have used recently.

SECTION III: NOTICE TO MORTGAGE LOAN APPLICANT
People's United Home Equity Loan/Line

Appraisal: In considering your application, People's United may order an appraisal to determine the property's value and may charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost. Do not rely on the appraisal report for any purpose whatsoever. It is prepared for our internal purposes only; it is not intended for purposes other than contributing to our decision on whether to make a loan to you.

Right to Attorney Representation (for properties located in Connecticut only)

1. You may have legal interests that differ from those of

People's United.
2. People's United may not require you to be represented by its attorney.
3. You may waive the right to be represented by an attorney.
4. You may direct any complaints concerning violations of the matters set forth in this notice to:

   Connecticut Banking Department
   260 Constitution Plaza
   Hartford, CT 06103

Right to Attorney Representation (for properties located in New York only)

1. You may have legal interests that differ from those of People's United.
2. The attorney for People's United will not represent you and will not be your attorney or give you legal advice.
3. You have the right to be represented by an attorney of your own choosing.
4. You may waive the right to be represented by an attorney.
5. You may direct any complaints concerning violations of the matters set forth in this notice to:

   New York Department of Financial Services
   One State Street
   New York, NY 10004-1511

Right to Attorney Representation (for properties located in New Jersey only)

The interests of the Borrower and Lender are or may be different and may conflict. The Lender's Attorney represents only the Lender and not the Borrower and the Borrower is therefore advised to employ an attorney of the Borrower's choice licensed to practice law in the state of New Jersey to represent the interests of the Borrower.

You may direct any complaints concerning violations of the matters set forth in this notice to:

New Jersey Department of Banking and Insurance
Division of Banking
P.O. Box 040
Trenton, New Jersey 08625

SECTION IV: CUSTOMER IDENTIFICATION NOTICE

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

SECTION V: TRANSFER OF SERVICING NOTICE

MORTGAGE SERVICING DISCLOSURE STATEMENT

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE

RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. §2601 et seq.) RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. “Servicing” refers to collecting your principal, interest, and escrow payments, if any, as well as sending monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Check the appropriate box under “Servicing Transfer Information.”

SERVICING TRANSFER INFORMATION

☐ We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.

☐ We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.

✓ ☐ The loan for which you have applied will be serviced at this financial institution and we do not intend to sell,
transfer, or assign the servicing of the loan.

SECTION VI: SELECTLOCK® OPTION

The SelectLock Loan option describes how you may be able to repay all or a portion of the balance owed on a Home Equity Credit Line at a fixed interest rate instead of a variable rate of interest. This fixed rate repayment option is referred to as the SelectLock Loan.

SelectLock Loan Option: During the Draw Period, you will have the option of converting some or all of the then outstanding unpaid principal balance due on the Home Equity Credit Line to a fixed interest rate under certain conditions. The term of your SelectLock Loan may not exceed the term of your Home Equity Line of Credit. You may only ask to convert outstanding unpaid principal that is subject to a variable rate of interest at the time of your request. You may ask for a fixed rate repayment term ranging from 60 to 240 months (repayment terms are subject to change without notice). The minimum SelectLock Loan balance you may convert to a fixed interest rate is $10,000. You may not exercise a SelectLock Loan option if, when you request the SelectLock Loan option or at the time you would exercise the SelectLock Loan option, we may take any action described in the Possible Actions Section of this booklet. You may not exercise the SelectLock Loan option after the draw period has ended. If we agree to allow you to exercise a SelectLock Loan option, you will enter into a written agreement outlining the specific terms of the SelectLock Loan (including the principal amount subject to the fixed interest rate, the dollar amount and number of required monthly payments, and the fixed-interest rate). Each SelectLock Loan is considered a sub-account with a separate payment and term of repayment and remains in effect until paid in full. The SelectLock Loan is not an additional extension of credit.

SelectLock Loan Fee and Other Requirements: We will charge you a $50 fee whenever you exercise a SelectLock Loan option. You may not have more than three (3) outstanding SelectLock Loan balances at any one time. As you repay each SelectLock Loan balance, your available credit limit will be replenished in like amounts subject to your general availability to obtain advances under the terms of your Account Agreement.

SelectLock Loan Interest Rate: Your ***ANNUAL PERCENTAGE RATE (APR)*** may increase if you exercise the option to convert to a fixed rate and payment. The ***ANNUAL PERCENTAGE RATE (APR)*** for each SelectLock Loan is fixed and will be determined based on comparable fixed interest rate home equity loans for the principal amount and term you request (or for substantially similar principal amount and term), assuming no points or origination fees are paid. We may make lower SelectLock Loan interest rate options available from time to time. Please ask us for fixed interest rates and terms currently offered. If the SelectLock Loan fixed annual interest rate would be more than the ***ANNUAL PERCENTAGE RATE*** cap (18.0%), we may, at our option, either allow you to exercise the SelectLock Loan option in which case the fixed annual interest rate would be 18.0%, or alternatively, we may choose to not allow you to exercise the SelectLock Loan option. After you exercise a SelectLock Loan option, the principal balance converted to a fixed interest rate will not be subject to the variable rate feature.

Minimum Monthly Payment: The minimum monthly payment required to be made in connection with the SelectLock Loan will be an amount that would allow you to repay the converted principal balance at the fixed interest rate that applies to the SelectLock Loan during the scheduled repayment term in substantially equal payment amounts over the term of the SelectLock Loan. Your total required payment each billing period would equal the minimum monthly payment for balances that are subject to the variable ***ANNUAL PERCENTAGE RATE*** plus the minimum monthly payment required to be made in connection with any SelectLock Loan option(s) you exercise.

People's United Bank®

EQUAL HOUSING LENDER