



HOME EQUITY LINE OF CREDIT CHECKLIST

This package contains information about applying for a Home Equity Loan and includes a Home Equity Loan Application, Home Equity Application Disclosure, and other disclosures as listed below:

- Booklet “What you should know about Home Equity Lines of Credit” published by the Federal Reserve Board
- Notice of Intent to Apply for Joint Credit (only if applicable)
- Notice of Right to Receive a Copy of an Appraisal
- USA Patriot Act Disclosure
- Borrower’s Preference Form for selecting an attorney and insurance company (SC residents only)

Please provide the following information to complete the application process:

- Completed, signed and dated Home Equity Loan Application
- If you would like to apply for joint credit, please have all applicants sign and date the Notice of Intent to Apply for Joint Credit and return with your completed application.
- Review, sign, date and return one copy of the Home Equity Application Disclosure
- Provide a copy of your driver’s license or another form of identification
- Provide proof of income (W-2 forms (2 years), current pay-stubs or two years of income tax returns if self-employed)
- A copy of the most recent appraisal of your home (if available)
- Please let us know the number of bedrooms and bathrooms in your home to assist us in the appraisal valuation _____ Bedrooms _____ Bathrooms
- A copy of your most recent first mortgage statement including phone number of mortgage holder and your account number
- Copy of owner’s title policy, warranty deed or sales contract
- Copy of survey (if applicable)
- Copy of your homeowner’s insurance policy
- Copy of your flood insurance policy (if applicable)
- Other _____

Each completed application package is subject to individual approval by CBC National Bank.



CBC National Bank

1891 South 14th Street, Fernandina Beach, FL 32034
36 Sea Island Parkway, Beaufort, SC 29907
1700 Ribaut Road, Port Royal, FL 29935
2023 East Depot Street, Meigs, GA 31765-4320





HOME EQUITY LINE OF CREDIT APPLICATION

PLEASE PRINT OR TYPE

IMPORTANT APPLICANT INFORMATION: Federal law requires financial institutions to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances, we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

TYPE OF ACCOUNT REQUESTED

Check one to indicate the type of account you are requesting. Note: Married applicants may apply for separate accounts.

- Joint Account
- Individual Account - Relying solely on my income and assets.
- Individual Account - Relying on my income and assets and as well as income or assets of another.

We intend to apply for joint credit: Applicant Initials: _____ Co-Applicant Initials: _____

TERMS REQUESTED

Amount \$	Interest Rate: %	Type of Loan
No. of months:		<input type="checkbox"/> Variable Rate Plan
Payment: \$ /		<input type="checkbox"/> Fixed Rate Plan

Purpose: Home Improvement: Pay Debt: Other (describe):

COLLATERAL PROPERTY

Address	Year Built	Date Purchased	Present Value \$	Balance Owing \$
Title in Name(s) of:	Address of Title Holder		Name and Address of Insurance Carrier	
Mortgage Holder Name	Address		Phone No.	Acct. No.

INDIVIDUAL APPLICANT INFORMATION

Name	Birth date	Social Security No.
Address (Street, City, State, Zip)	County	Drivers License No.
Home Phone	Business Phone	No. of Dependents
Employer/Self Employed	Position	Years Employed
Wages, Salary, Commissions	How Often Paid	
Gross: \$ /month	Net: \$ /month	
Previous Employer	Position	Years Employed
Name and Address of Applicant's Nearest Relative		Relationship

Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered. Alimony, child support, separate maintenance received pursuant to: Court Order Written Agreement Oral Understanding

Other Income: Source Amount/Month \$

Marital Status: Married Separated Unmarried, (includes single, divorced and widowed)

JOINT APPLICANT OR OTHER PARTY INFORMATION

Provide the information in this section for a joint applicant, another party that will use or contribute assets or income toward repayment on the account, or for your spouse if you live in, or is relying on collateral property located in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, or WI) as a basis of repayment of the credit requested.

Name	Birth date	Social Security No.
Address (Street, City, State, Zip)	County	Drivers License No.
Home Phone	Business Phone	No. of Dependents
Employer/Self Employed	Position	Years Employed
Wages, Salary, Commissions	How Often Paid	
Gross: \$ /month	Net: \$ /month	
Previous Employer	Position	Years Employed
Name and Address of Applicant's Nearest Relative		Relationship

Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered. Alimony, child support, separate maintenance received pursuant to: Court Order Written Agreement Oral Understanding

Other Income: Source Amount/Month \$

Marital Status: Married Separated Unmarried, (includes single, divorced and widowed)

GENERAL INFORMATION

If a "Yes" answer is given to a question in these columns below, please explain on an attached sheet.	Borrower		Co-Borrower			Borrower		Co-Borrower	
	YES	NO	YES	NO		YES	NO	YES	NO
Are there any outstanding judgments against you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you been declared bankrupt within the past 7 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Do you have any past due obligations owed to or insured by any agency of the federal government?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Are you a U.S. Citizen?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you a party to a law suit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If "no" are you a resident alien?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you obligated to pay alimony, child support, or separate maintenance income?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If "no" are you a non-resident alien?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PREVIOUS CREDIT REFERENCES

Describe any previous obligations. Please mark Applicant-related information with an "A".

1.	\$ -	Date Paid:
2.	\$ -	Date Paid:

ASSET AND DEBT INFORMATION

If "Joint Applicant or other Party Information" section was completed above, this section should be completed giving information about both the Applicant and the Joint Applicant or Other Party. **Attach additional sheets if necessary.**

ASSETS

DESCRIPTION OF CURRENT ASSETS	NAME(S) OF OWNER(S)	SUBJECT TO DEBT: YES/NO	VALUE
Checking Accounts (Institution, Acct. No.)			\$ -
			\$ -
Savings Accounts (Institution, Acct. No.)			\$ -
			\$ -
Real Estate (Location, When Acquired)			\$ -
			\$ -
Marketable Securities (Issuer, Type, No. of Shares)			\$ -
			\$ -
Life Insurance Cash Value (Issuer)			\$ -
			\$ -
Automobiles (Make, Model, Year)			\$ -
			\$ -
Other Assets (Describe)			\$ -
			\$ -
TOTAL ASSETS			\$ -

OUTSTANDING DEBTS (Include all charge accounts, installment contracts, credit cards, rents, mortgages, and other obligations)

CREDITOR	ACCOUNT NUMBER	NAMES IN WHICH THE ACCOUNT IS CARRIED	ORIGINAL AMOUNT	PRESENT BALANCE	MONTHLY PAYMENTS
Auto Loans			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Credit or Charge Cards			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Mortgator or Landlord	Rent Payment		(Omit Rent)	(Omit Rent)	
	Mortgage		\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
Other			\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -
TOTAL DEBTS			\$ -	\$ -	\$ -

ME and NY residents: A consumer report maybe ordered in connection with your application. Upon your request, we will inform you whether or not a report was ordered. If a report was ordered we will tell you the name and address of the consumer reporting agency that provided the report. Subsequent reports may be ordered or utilized in connection with an update, renewal or extension of credit for which you have applied. OH residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual up on request. The Ohio civil rights commission administers compliance with the law.

Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insuring fraud.

- By signing below, the Borrower and Co-Borrower, If any, indicate their understanding and acceptance of the following statements:
- 1) I/We apply for the loan indicated in this application which may be secured by a mortgage or deed of trust on the property described herein and represent that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and made for the purpose of obtaining the loan.
 - 2) The original copy of this application will be retained by the Lender, even if the loan is not granted.
 - 3) Verification may be obtained from any source named in this application.
 - 4) I/We hereby consent to and authorize the Lender to obtain information from credit reporting agencies, employers and others and to update that information time to time.
 - 5) I/We agree to let the Lender answer questions from credit reporting agencies and others about it's experience with this Account.
 - 6) I/We understand that it may be a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of the United States Criminal Code. In addition, I/W understand that if I/We commit fraud or make a material misrepresentation in connection with this Account, the Lender may terminate the plan and demand immediate repayment of any outstanding balance.
 - 7) I/We _____ do or _____ do not intend to occupy the property as my/our primary residence.
 - 8) I/We _____ will or _____ will not use part of all the proceeds of this line to purchase or refinance the purchase of our principle dwelling.

I acknowledge receipt of the Home Equity Brochure, published by the Federal Reserve, and the Lender's Home Equity disclosure statement on today's date.

Applicant Date Joint-Applicant Date

CREDITOR USE ONLY

This application was taken by: face-to-face interview mail telephone internet

Date Application Received:	Received By:	Amount Requested
		\$ -
Date Application Completed:	Approved By: /	Amount Approved
		\$ -
Rescindable? <input type="checkbox"/> Yes <input type="checkbox"/> No	RESPA Applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No	Funding Date:
		Initial advance:
		\$ -

**HOME EQUITY LINE OF CREDIT
(INTEREST ONLY)**



Creditor: CBC National Bank
1891 South 14th Street
Fernandina Beach, FL 32034

This disclosure contains important information about our Home Equity Line of Credit. Please review this document 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 that 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: Under certain circumstances, we can:

- 1) Terminate your line and require you to pay us the entire outstanding balance in one payment;
- 2) Refuse to make additional extensions of credit; and
- 3) Reduce your credit limit.

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

- 1) You engage in fraud or material misrepresentation in connection with the line of credit;
- 2) You fail to make a payment as required by the agreement; or
- 3) 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:

- 1) The value of the dwelling securing the line of credit declines significantly below its appraised value for the purposes of the line of credit;
- 2) 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;
- 3) You are in default of a material obligation of the agreement;
- 4) 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;
- 5) A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice
- 6) The maximum annual percentage rate is reached.

Minimum Payment Requirements: You can obtain credit advances for 10 years. During this period, payments will be due monthly and will equal the finance charges that accrued on the outstanding balance during the prior month.

The minimum monthly payments will not be sufficient to fully repay the principal on your line by the end of the 10 years. You will then be required to pay the entire balance in a single payment.

Minimum Payment Example: If you made only the minimum payments and took no other credit advances, it would take 10 years to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE OF 5.25%. During that period, you would make 119 monthly payments of \$43.75, and one final payment of \$10,043.75.

Fees and Charges: You also may be required to pay certain fees to third parties. These fees generally total between \$100.00 and \$1,500.00. These fees may vary from branch to branch and from time to time. At your request, we will give you an itemization of the fees you will have to pay to third parties. You must carry insurance on the property that secures this line of credit.

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.

Minimum Draw Requirements: The minimum credit advance that you can receive is \$500.00.

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

Variable Rate Features: This plan 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 no other costs. The annual percentage rate is based on the value of an index. The index is the highest rate on corporate loans posted by at least 75% of the USA's thirty largest banks known as The Wall Street Journal Prime Rate 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. Ask us for the current index value, margin, 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 can change daily. 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 plan is 18%. The minimum ANNUAL PERCENTAGE RATE that can apply during the line of credit is 5.25%.

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% would be \$150.00. The maximum annual percentage rate could be reached in the first month following an initial hold of one day.

Historical Examples: The following table shows how the annual percentage rate and minimum payments for a single \$10,000 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 (\$)
1998	8.50	1.00	9.50	79.17
1999	7.75	1.00	8.75	72.92
2000	9.50	1.00	10.50	87.50
2001	7.00	1.00	8.00	66.67
2002	4.75	1.00	5.75	47.92
2003	4.25	1.00	5.25	43.75
2004	4.00	1.00	5.25**	43.75
2005	6.00	1.00	7.00	58.33
2006	8.00	1.00	9.00	75.00
2007 (P)	8.25	1.00	9.25	77.08
2008	5.00	1.00	6.00	00.00
2009	3.25	1.00	5.25**	00.00
2010	3.25	1.00	5.25**	00.00
2011	3.25	1.00	5.25**	00.00
2012	3.25	1.00	5.25**	00.00

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

** This would be the minimum rate due to the floor rate disclosed above.

(P) At the end of this year a balloon payment of \$10,077.08 would occur. You would be required to pay the entire balance in one payment.

THIS IS NOT A COMMITMENT TO MAKE A LOAN. I/WE HEREBY ACKNOWLEDGE RECEIPT OF THIS HOME EQUITY PROGRAM DISCLOSURE AND A COPY OF THE HOME EQUITY BROCHURE OR COMPARABLE PUBLICATION ON TODAY'S DATE.

BORROWER

DATE

BORROWER

DATE



Regulation B Notice to Apply for Joint Credit

Notice:

We intend to apply for Joint Credit.

Acknowledgement:

By signing below, we acknowledge the intention to apply for joint credit on today's date.

X _____
Borrower Date

X _____
Borrower Date



Appraisal Disclosure

You have the right to a copy of the appraisal obtained in connection with your loan application for credit provided that, if required, you have paid for or are willing to pay for the appraisal. You can get a copy of this report by writing to us at the address listed above. We must hear from you no later than 90 days after you are notified about the action taken on your credit application. (If you withdraw your application, you must make your request for an appraisal report within 90 days of the withdrawal.)

Acknowledged this _____ day of _____, 20__.

Borrower

Date

Borrower

Date



The Federal Reserve Board

**What you should know about
Home Equity Lines
Of Credit**



Table of contents

Home Equity Plan Checklist 2

What is a home equity line of credit? 3

What should you look for when shopping for a plan? 4

Costs of establishing and maintaining a home equity line 5

How will you repay your home equity plan? 6

Lines of credit vs. traditional second mortgage loans 8

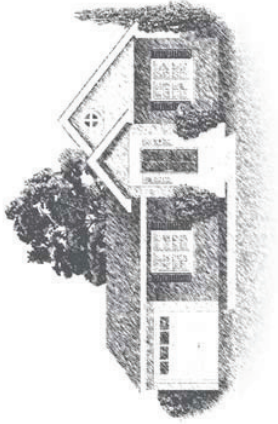
What if the lender freezes or reduces your line of credit? 10

Glossary A1

Where to go for help A4

More resources and ordering information A6

Print orders A6



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	Plan A	Plan B
Fixed annual percentage rate	%	%
Variable annual percentage rate	%	%
<ul style="list-style-type: none"> ■ 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 a 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%) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

Appraised value of home	\$100,000	
Percentage	x 75%	
Percentage of appraised value	= \$ 75,000	
Less balance owed on mortgage	- \$ 40,000	
Potential line of credit	<hr/>	\$ 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) or 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 the interest rate alone and will not reflect 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 6 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); and
- Closing costs, including fees for attorneys, title search, 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 monthly 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 *interest only* 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 equity 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.

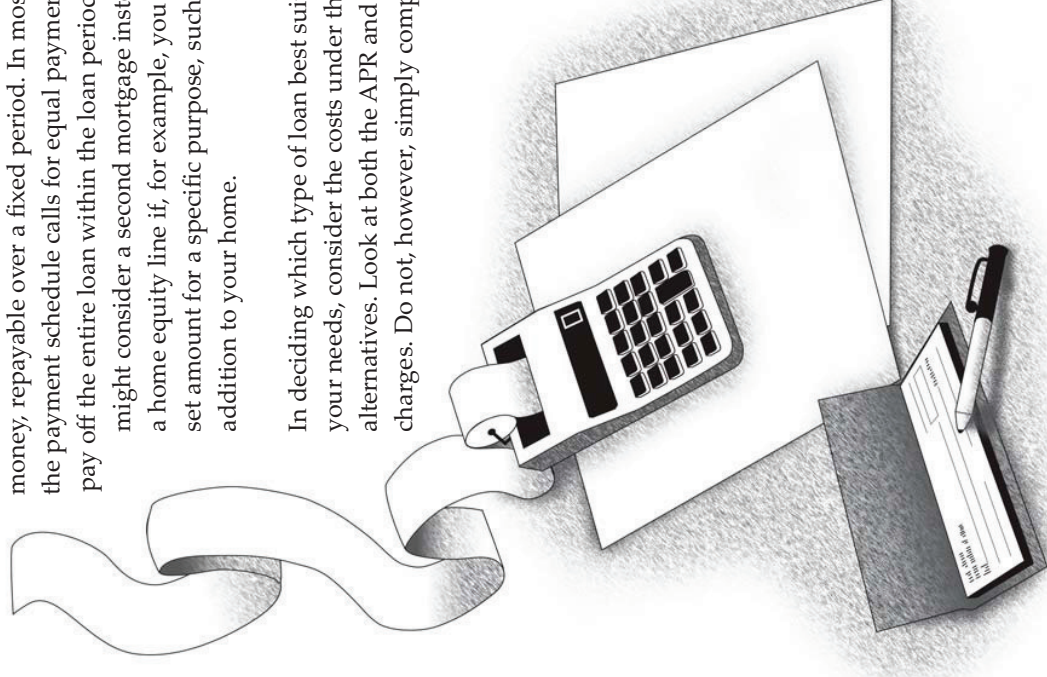
If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10% interest rate, your monthly payments would be \$83. If the rate rises over time to 15%, your monthly payments will increase 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 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 Federal Trade Commission’s website, at www.ftc.gov/freereports, 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. 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

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 an 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 a 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

Glossary

insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorneys' 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 a home 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 ARM interest rate at each adjustment.

Glossary

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's, lessor's, 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

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

Help

Where to go for help

For additional information or to file a complaint about a bank, savings and loan, credit union, or other financial institution, contact one of the following federal agencies, depending on the type of institution.

State-chartered bank members of the Federal Reserve System

Federal Reserve Consumer Help

PO Box 1200

Minneapolis, MN 55480

888-851-1920 (toll free)

877-766-8533 (TTY) (toll free)

877-888-2520 (fax) (toll free)

e-mail: ConsumerHelp@FederalReserve.gov

www.FederalReserveConsumerHelp.gov

National banks and national-bank-owned mortgage companies and federal savings associations¹

Office of the Comptroller of the Currency (OCC)

Customer Assistance Group

1301 McKinney Street, Suite 3450

Houston, TX 77010

800-613-6743 (toll free)

713-336-4301 (fax)

e-mail: customer.assistance@occ.treas.gov

www.occ.treas.gov

www.helpwithmybank.gov

Federally chartered credit unions²

National Credit Union Administration (NCUA)

Office of Public and Congressional Affairs

1775 Duke Street

Alexandria, VA 22314

800-755-1030 (toll free)

703-518-6409 (fax)

e-mail: consumerassistance@ncua.gov

www.ncua.gov/ConsumerInformation/index.htm

¹ Banks with "National" in their name or "N.A." after the name.

² Credit unions with "Federal" in their name.

For state-chartered credit unions, contact the regulatory agency in the state in which the credit union is chartered.

www.ncua.gov/consumerinformation/consumer%20complaints/statechartered.htm

Federally insured state-chartered banks that are not members of the Federal Reserve System

Federal Deposit Insurance Corporation (FDIC)

Consumer Response Center

1100 Walnut Street, Box #11

Kansas City, MO 64106

877-ASK-FDIC (877-275-3342) (toll free)

e-mail: consumeralerts@fdic.gov

www.fdic.gov/consumers/consumer/cc/index.html

Mortgage companies and other lenders

Federal Trade Commission (FTC)

Consumer Response Center

600 Pennsylvania Avenue, NW

Washington, DC 20580

202-326-3758 or (877) FTC-HELP

866-FTC-HELP (877-382-4357) (toll free)

www.ftc.gov

Credit cards, mortgages, and consumer financial products

Consumer Financial Protection Bureau (CFPB)

PO Box 4503

Iowa City, IA 52244

Phone: 855-411-2372

855-729-2372 (TTY/TDD)

www.consumerfinance.gov

Help

More resources and ordering information

For more resources on mortgages and other financial topics, visit www.federalreserve.gov/consumerinfo.

Print orders

To request additional copies of this brochure, please send your name, address, and the number of copies requested to Publications Fulfillment, Board of Governors of the Federal Reserve System, Washington, DC 20551, or see our online ordering instructions at www.federalreserve.gov/pubs/order.htm.

Resources



Our Privacy Commitment to You

We recognize, respect and protect the personal privacy rights of all our customers. We realize that our customers entrust us with personal information, and it is our policy to maintain our customers' information in a confidential manner. We are committed to providing the highest level of security and privacy regarding the collection and use of our customers' personal information, as well as personal information of all consumers.

FACTS	What Does CBC National Bank (the Bank) Do with your Personal Information?	
Why?	Financial companies, including banks, 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?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and income • account balances and payment history • credit history and credit scores <p>When you are no longer our customer, we continue to share information about you according to our policies.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons the financial companies can share their customers' personal information; the reason the Bank chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information:	Does the Bank Share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	N/A
For our affiliates' everyday business purposes - information about your transactions and experiences	No	N/A
For our affiliates' everyday business purposes - information about your creditworthiness	No	N/A
For our affiliates to market to you	No	N/A
For non-affiliates to market to you	No	N/A
QUESTIONS: Go to www.cbcnationalbank.com		

Who we are	
Who is providing this notice?	CBC National Bank
What we do	
How does the Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards, secured files and secured buildings.
How does the Bank collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> • open an account or deposit money • pay your bills or apply for a loan • use your credit or debit card We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and non-financial companies.
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies.
Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you.

Notify Us of Inaccurate Information We Report To Consumer Reporting Agencies

Please notify us if we report any inaccurate information about your accounts to a consumer-reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: 1891 South 14th Street, Fernandina Beach, FL 32034.



IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A
NEW ACCOUNT

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.



36 Sea Island Parkway
 Beaufort, SC 29907

Borrower’s Preference to Legal Counsel and Insurance Agent

You have the right to select the legal counsel who shall represent you in all matters relating to the closing of a loan extended to you pursuant to this application and to select the homeowners’ insurance agent who is to furnish the insurance required in connection with the mortgage which shall secure the loan so extended.

I/ We designate the following as legal counsel to represent me/us:

Attorney name/address: _____

I/We designate the following as insurance agent to provide insurance coverage:

Insurance Agent’s name/address: _____

Borrower Date **Borrower** Date