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NORTHWEST BANK

HOME EQUITY APPLICATION DISCLOSURE - SPECIAL 3 YEAR FIXED, VARIABLE RATE THEREAFTER 10 YEAR TERM 2026 SPECIAL

NORTHWEST BANK
1607 W 18th St
Spencer, IA 51301

IMPORTANT TERMS OF OUR
HOME EQUITY APPLICATION DISCLOSURE - SPECIAL 3 YEAR FIXED, VARIABLE RATE THEREAFTER 10 YEAR TERM 2026 SPECIAL

This disclosure contains important information about our HELOC 3 YEAR FIXED, VARIABLE RATE THEREAFTER 10 YR 2026 SPECIAL (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of 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 security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

(a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.

(b) You do not meet the repayment terms of the Plan.

(c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

(a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

(b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.

(c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).

(d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.

(e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.

(f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

(g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Processing Fee:	$50.00	At Account Opening

Late Charge. Your payment will be late if it is not received by us within **10 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you $15.00.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between $0.00 and $700.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Appraisal Fee:	650.00	At Account Opening

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: Your draw period will be 120 months and your payments are due the 15th day of every month (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES. You will make 119 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum 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 7.500%. During that period, you would make 119 monthly payments ranging from $57.53 to $63.70 and one final payment of $10,063.70.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Credit Line HOME EQUITY LINE OF CREDIT CHECK, Telephone Request, Overdraft, In Person Request and Internet Banking Limitations. The following transaction limitations will apply to your Credit Line and the writing of HOME EQUITY LINE OF CREDIT CHECKs, requesting an advance by telephone, overdrawing a designated deposit account, requesting an advance in person and accessing by other methods.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is $50.00. This means any HOME EQUITY LINE OF CREDIT CHECK must be written for at least the minimum advance amount.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the base rate of corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of on the day of rate change any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the **ANNUAL PERCENTAGE RATE.** A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Initial Annual Percentage Rate Discount. The initial annual percentage rate is "discounted"--it is not based on the Index and margin used for later rate adjustments. The initial discounted rate will be in effect for 36 Months. This line of credit has a "discounted rate" provision. In order for the discounted rate to apply to the line of credit during the discount period, you must maintain a deposit account with Lender. This means if your deposit account with Lender terminates or closes, your ANNUAL PERCENTAGE RATE will change and will thereafter be based on the Index.

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

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change DAILY, AFTER THE 3 YEAR FIXED RATE PERIOD. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 21.000% per annum or, go below 3.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. If you had an outstanding balance of $10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 21.000% would be $178.36. This ANNUAL PERCENTAGE RATE could be reached at the time of the 36th payment.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below 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 from 2012 to 2026. The Index values are from the following reference period: as of the 1st week ending in January. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

INDEX TABLE

Year (as of the 1st week ending in January)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2012	3.250	0.750	7.500 (7)	63.70
2013	3.250	0.750	7.500 (7)	63.70
2014	3.250	0.750	7.500 (7)	63.70
2015	3.250	0.750	4.000	33.97
2016	3.500	0.750	4.250	36.10
2017	3.750	0.750	4.500	38.22
2018	4.500	0.750	5.250	44.59
2019	5.500	0.750	6.250	53.08
2020	4.750	0.750	5.500	46.71
2021	3.250	0.750	4.000	33.97
2022	3.250	0.750	4.000	
2023	7.500	0.750	8.250	
2024	8.500	0.750	9.250	
2025	7.500	0.750	8.250	
2026	6.750	0.750	7.500	

(1) This is a margin we have used recently; your margin may be different.
(7) This ANNUAL PERCENTAGE RATE reflects a discount that we have provided recently; your Plan may be discounted by a different amount.

BORROWER ACKNOWLEDGMENT

The Borrower, after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement and further acknowledges that this Disclosure was completed in full prior to its receipt. The Borrower also acknowledges receipt of the handbook entitled "What you should know about Home Equity Lines of Credit".

BORROWER:

X______________________________ ______________
Borrower **Date**

X______________________________ ______________
Borrower **Date**