



NORTHWEST BANK
1607 W 18th St
Spencer, IA 51301

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.

HOME EQUITY APPLICATION DISCLOSURE - HELOC 3 YEAR FIXED, VARIABLE RATE THEREAFTER (INTEREST ONLY) 10 YEAR TERM (Continued)

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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 \$650.00. 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 8.750%. During that period, you would make 119 monthly payments ranging from \$67.12 to \$74.32 and one final payment of \$10,074.32.

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 3 Years.

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.

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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....	2.000	8.750 (7)	74.32
2013.....	3.250....	2.000	8.750	74.32
2014.....	3.250....	2.000	8.750	74.32
2015.....	3.250....	2.000	5.250	44.59
2016.....	3.500....	2.000	5.500	46.71
2017.....	3.750....	2.000	5.750	48.84
2018.....	4.500....	2.000	6.500	55.21
2019.....	5.500....	2.000	7.500	63.70
2020.....	4.750....	2.000	6.750	57.33
2021.....	3.250....	2.000	5.250	44.59
2022.....	3.250....	2.000	5.250	
2023.....	7.500....	2.000	9.500	
2024.....	8.500....	2.000	10.500	
2025.....	7.500....	2.000	9.500	
2026.....	6.750....	2.000	8.750	

(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