IMPORTANT TERMS
of our
HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit, which we call our Secured Personal Credit Line account. You should read it carefully and keep a copy for your records.

Availability Of Terms
All of the terms described below are subject to change before you open your account. 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 you paid to us or anyone else in connection with your application.

Security Interest
We will take a mortgage, deed of trust or other security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions
We have the right to terminate your account, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with your account.
- You do not meet the repayment terms of the agreement for your account.
- Your action or inaction adversely affects the collateral for your account or our rights in the collateral.

We have the right to refuse to make additional extensions of credit or reduce your credit limit during any period in which:

- The value of the dwelling securing your account has declined significantly below its appraised value for purposes of the account.
- 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 for your account.
- Government action prevents us from imposing the annual percentage rate or rates provided for in the agreement for your account.
- Government action impairs our security interest in your home such that the value of the interest is less than 120% of the credit line.
- A regulatory agency has notified us that continued extensions of credit would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.

The agreement for your account permits us to make changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements
You can obtain advances or make purchases for 10 years. This is known as the "Draw Period." During the Draw Period, your payments will be due monthly. The minimum monthly payment amount for each monthly statement period during the Draw Period will be your choice of either (i) the amount of periodic rate finance charges that accrued on the outstanding balance of principal during that statement period ("interest only option") or (ii) 0.42% of the outstanding balance of principal as of the end of that monthly statement period, plus the amount of periodic rate finance charges that accrued on the outstanding balance of principal during that statement period ("principal and interest option"). If you choose the interest only option and you pay only the minimum monthly payment each month, you will not reduce the outstanding balance of principal on your account during the Draw Period.

After the Draw Period ends, you will no longer be able to obtain advances or make purchases and you must repay any outstanding balance. This is known as the "Repayment Period". The scheduled length of the Repayment Period will be 20 years, unless your account is paid off earlier. During the Repayment Period, your payments will be due monthly. The minimum monthly payment amount for each monthly statement period during the Repayment Period will be the greater of (i) 0.42% of the outstanding balance of principal at the beginning of the Repayment Period, plus the amount of periodic rate finance charges that accrued on the outstanding balance of principal during that statement period or (ii) $100.

You have the option, subject to our consent, to transfer balances on your account into one or more subaccounts, each with a fixed annual percentage rate and a separate minimum monthly payment amount in addition to the minimum monthly payment amount described above for the general account balance. We call each of these subaccounts a "Personal Selection Feature". We offer two types. Fixed-Payment Personal Selection Features may be set up prior to 3 months before the end of the Draw Period for terms of 12, 24, 36, 48, 60, 72, 84, 96, 108, 120, 180 or 240 months. Interest-Only Personal Selection Features may be set up with fixed-rate periods of 12, 36, 60 or 84 months, but only if those periods end before the end of the Draw Period. The minimum balance to transfer to any Personal Selection Feature is $2,500. There is a fee of $75 to set up each Personal Selection Feature, and a fee of $100 each time you ask us to convert the balance in a Personal Selection Feature back to the general account balance.

The fixed annual percentage rate for each Personal Selection Feature is based on the value of an index. The index we use is based on the term of the Personal Selection Feature you request. The index is the rate shown in the month column for "interest rate swaps" published by the Board of Governors of the Federal Reserve System in its statistical release H.15(519) entitled "Selected Interest Rates." The rate applicable to a particular Personal Selection Feature is the rate that corresponds to the term shown below:

Term of Personal Selection Feature	*Use rate for*
Up to 36 months	3-year interest rate swaps
Greater than 36 months up to 60 months	5-year interest rate swaps
Greater than 60 months up to 120 months	7-year interest rate swaps
Greater than 120 months	10-year interest rate swaps

To determine the fixed annual percentage rate that will apply for any Personal Selection Feature, we first determine the index value from the most recently available "Selected Interest Rates" as of the time we act on your request to establish the Personal Selection Feature. We then add the value of the Personal Selection Feature margin. For each Fixed-Payment Personal Selection Feature, the fixed annual percentage rate will apply to the balance in that Fixed-Payment Personal Selection Feature for its full term. For each Interest-Only Personal Selection Feature, the fixed annual percentage rate will apply to the balance in that feature for the specified fixed-rate period, and following the end of that fixed-rate period the same variable annual percentage rate applicable to the general account balance will apply to any remaining balance in that Interest-Only Personal Selection Feature. The maximum **ANNUAL PERCENTAGE RATE** applicable to any Personal Selection Feature is **18.000**%. The minimum **ANNUAL PERCENTAGE RATE** applicable to any Personal Selection Feature is **5.490**%. A recent fixed **ANNUAL PERCENTAGE RATE** we have used is 8.93%. The annual percentage rate includes only interest and not other costs. Ask us for the current index value, margin, and annual percentage rate. After you open your account, rate information will be provided on periodic statements that we send you.

The minimum monthly payment amount for each Fixed-Payment Personal Selection Feature for each monthly statement period, whether during the Draw Period or the Repayment Period, will be the amount we compute is necessary to repay the initial balance in that Fixed-Payment Personal Selection Feature in substantially equal payments over its term at the applicable fixed annual percentage rate. The minimum monthly payment amount for each Interest-Only Personal Selection Feature for each monthly statement period will be the amount of periodic rate finance charges that accrued on the outstanding principal balance in that Interest-Only Personal Selection Feature during that statement period. If you pay only the minimum monthly payment for an Interest-Only Personal Selection Feature each month, you will not reduce the outstanding balance of principal in that Interest-Only Personal Selection Feature. If there is an outstanding balance of principal in any Interest-Only Personal Selection Feature at the end of the Draw Period, that balance will be transferred back to the general account balance at that time. No conversion fee applies to this transfer.

The minimum payment requirements described above do not include any other charges or fees that may also be due as part of your minimum monthly payment.

Minimum Payment Example
If you took a single $10,000 advance as soon as possible and the **ANNUAL PERCENTAGE RATE** was 5.16%, it would take 252 months to pay off the advance if you made only the minimum payments under the interest only option and 191 months to pay off the advance if you made only the minimum payments under the principal and interest option. During that period, (i) under the interest only option you would make 120 payments of $43.00, followed by 132 payments varying from $0.62 to $100.00 and (ii) under the principal and interest option you would make 120 payments varying from $51.51 to $85.00, followed by 71 payments varying from $1.48 to $100.00. Even though the annual percentage rate may vary both during the Draw Period and the Repayment Period, this example assumes that no rate changes occur. This example also assumes the balance is not transferred to any Personal Selection Feature. This payment example does not include any other charges or fees that may also be due as part of your minimum monthly payment.

Fees And Charges
We may require you to pay certain real estate fees to third parties to open your account. These fees are estimated in the range shown below and do not include title insurance or mortgage tax. If you ask, we will give you an itemization of these fees. Also, you must carry insurance on the property that secures your account. Certain fees related to Personal Selection Features are described above under "Minimum Payment Requirements".

Range of third party real estate fees*: $169.00 to $630.00
Annual fee: **$60.00**
*High-end range is based upon maximum loan amounts

Tax Deductibility
You should consult a tax advisor regarding the deductibility of interest and charges for your account.

Variable Rate
This account has a variable rate for balances not in any Personal Selection Feature. 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 we use is the "Bank Prime Loan" rate published by the Board of Governors of the Federal Reserve System in its statistical release H.15(519) entitled "Selected Interest Rates." To determine the annual percentage rate for any monthly statement period, we first determine the index value as of the next-to-last business day of that monthly statement period. We then add the value of your Primary Line Feature margin.

Ask us for the current index value, margin, discount or premium, and annual percentage rate. After you open your account, rate information will be provided on periodic statements that we send you.

Rate Changes
The annual percentage rate for balances not in any Personal Selection Feature can change monthly. Other than the rate "cap" and "floor" described below, there is no limit on the amount by which the rate can change for balances not in any Personal Selection Feature during any one-year period.

The maximum **ANNUAL PERCENTAGE RATE** that can apply to any balances in your account is **18.000**%. The minimum **ANNUAL PERCENTAGE RATE** for balances not in any Personal Selection Feature is **2.960**%. The minimum **ANNUAL PERCENTAGE RATE** for balances in any Personal Selection Feature is **5.490**%.

Maximum Rate And Payment Examples
If at the beginning of the Draw Period the **ANNUAL PERCENTAGE RATE** for balances not in any Personal Selection Feature equaled the 18% maximum and you had an outstanding balance of $10,000, the minimum monthly payment would be $150.00 if you choose the interest only option and $192.00 if you choose the principal and interest option. This annual percentage rate could be reached during the first month of the Draw Period.

If you had an outstanding balance of $10,000 at the beginning of the Repayment Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% for balances not in any Personal Selection Feature would be $192.00. This annual percentage rate could be reached during the first month of the Repayment Period.

These payment examples do not include any other charges or fees that may also be due as part of your minimum monthly payment.

Historical Example
The following table shows how the annual percentage rate and the minimum monthly payments for a single $10,000 advance not in any Personal Selection Feature would have changed based on changes in the value of the index over the past 15 years. For both the Draw Period and the Repayment Period, the index values are for the next-to-last business day of the billing cycle that ends on August 15 of each year. Payment amounts are for statement periods ending on the 15th day of August of each year.

The table assumes that the $10,000 advance was taken as soon as possible and that no additional advances were taken. It also assumes that (i) only the minimum payments were made, (ii) payments were made on the payment due date, (iii) the rate remained constant during each 12-month period, and (iv) all months have an equal number of days. It does not necessarily indicate how the value of the index or your payments will change in the future. This example does not reflect the effect of balances in any Personal Selection Feature. This example does not reflect a complete Repayment Period.

	Year	Index (%)	Margin * (%)	**ANNUAL PERCENTAGE RATE** (%)	**Interest Only Plan Minimum Payment **** ($)	**Principal and Interest Plan Minimum Payment **** ($)
Draw Period	2005	6.50	.41	6.91	$57.58	$99.58
	2006	8.25	.41	8.66	$72.17	$108.54
	2007	8.25	.41	8.66	$72.17	$103.20
	2008	5.00	.41	5.41	$45.08	$74.84
	2009	3.25	.41	3.66	$30.50	$59.24
	2010	3.25	.41	3.66	$30.50	$56.32
	2011	3.25	.41	3.66	$30.50	$53.55
	2012	3.25	.41	3.66	$30.50	$50.91
	2013	3.25	.41	3.66	$30.50	$48.40
	2014	3.25	.41	3.66	$30.50	$46.02
Repayment Period	2015	3.50	.41	3.91	$100.00***	$100.00***
	2016	3.75	.41	4.16	$100.00	$100.00
	2017	4.50	.41	4.91	$100.00	$100.00
	2018	5.25	.41	5.66	$100.00	$100.00
	2019	4.75	.41	5.16	$100.00	$100.00

* This is a margin we have used recently. Your margin may be different.
** In this historical example, the payment amounts do not include any other charges or fees which may also be due as part of the minimum monthly payment.
*** This reflects the $100 required minimum payment.

Other Products
If you ask, we will provide you with information on our other available home equity credit line accounts.

What you should know about Home Equity Lines Of Credit

Consumer Financial Protection Bureau

This booklet was initially prepared by the Board of Governors of the Federal Reserve System. The Consumer Financial Protection Bureau (CFPB) has made technical updates to the booklet to reflect new mortgage rules under Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). A larger updated of this booklet is planned in the future to reflect other changes under the Dodd-Frank Act and to align with other CFPB resources and tools for consumers as part of the CFPB's broader mission to educate consumers. Consumers are encouraged to visit the CFPB's website at consumerfinance.gov/owning-a-home to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

Table of contents

1. Introduction

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.

1.1 Home equity plan checklist

Ask your lender to help you fill out this worksheet.

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?		

2. 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 percent) 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		$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.

2.1 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.

2.1.1 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.

2.2 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.

2.3 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 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 equity line, you may choose to pay more, and many lenders offer a choice of payment options. However, some lenders may require you to pay special fees or penalties if you choose to pay more, so check with your lender. 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.

2.4 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.

2.4.1 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. Lenders are also required to provide you with a list of homeownership counseling organizations in your area.

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 three 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 three-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.

The Home Ownership and Equity Protection Act of 1994 (HOEPA) addresses certain unfair practices and establishes requirements for certain loans with high rates and fees, including certain additional disclosures. HOEPA now covers some HELOCs. You can find out more information by contacting the CFPB at the website address and phone number listed in the Contact information appendix, below.

2.5 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 consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html for information about how to get free copies of your credit reports) 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.

APPENDIX A:

Defined terms

This glossary provides general definitions for terms commonly used in the real estate market. They may have different legal meanings depending on the context.

DEFINED TERM

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 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 (consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf) 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. The property that secures payment of your obligation is referred to as "collateral."
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.

APPENDIX B:

More information

For more information about mortgages, including home equity lines of credit, visit consumerfinance.gov/mortgage. For answers to questions about mortgages and other financial topics, visit consumerfinance.gov/askcfpb. You may also visit the CFPB's website at consumerfinance.gov/owning-a-home to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

Housing counselors can be very helpful, especially for first-time home buyers or if you're having trouble paying your mortgage. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search for HUD-approved housing counseling agencies in your area on the CFPB's web site at consumerfinance.gov/find-a-housing-counselor or by calling HUD's interactive toll-free number at 800-569-4287.

The company that collects your mortgage payments is your loan servicer. This may not be the same company as your lender. If you have concerns about how your loan is being serviced or another aspect of your mortgage, you may wish to submit a complaint to the CFPB at consumerfinance.gov/complaint or by calling (855) 411-CFPB (2372).

When you submit a complaint to the CFPB, the CFPB will forward your complaint to the company and work to get a response. Companies have 15 days to respond to you and the CFPB. You can review the company's response and give feedback to the CFPB.

APPENDIX C:

Contact information

For additional information or to submit a complaint , you can contact the CFPB or one of the following other federal agencies listed below, depending on the type of institution. If you are not sure which agency to contact, you can submit a complaint to the CFPB and if the CFPB determines that another agency would be better able to assist you, the CFPB will refer your complaint to that agency and let you know.