

## APPLICATION DISCLOSURE - BRIDGE LINE IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

In this disclosure, the words "you" and "your" mean anyone who applies for a Webster Home Equity Credit Line. The words "we", "us" and "our" mean Webster Bank, N.A. ("Lender").

This disclosure contains important information about our Home Equity Credit Line. You should read this disclosure carefully and keep a copy for your records.

**1. Availability of Terms:** All of the terms described below are subject to change by us. If any of these terms change (other than the **ANNUAL PERCENTAGE RATE**) and you decide, as a result, not to enter into the agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

**2. 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.

**3. Possible Actions:** We can terminate your line, 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 the line.
- You do not meet the repayment terms.
- Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for or impairs our security interest such that the value of interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum **ANNUAL PERCENTAGE RATE** is reached.

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

**4. Minimum Payment Requirements:** You can obtain credit advances for 12 months (the "draw period"). During this period, the minimum payment each billing period (there will be 12 billing periods per year) shall equal the finance charges on the outstanding balance. This minimum payment will not reduce the principal outstanding on your line. You will be required to pay the entire balance in a single "balloon" payment. The minimum payment however does not pay the interest charges and fees which at the end of each billing cycle become part of the balance after the draw period ends you will be required to pay the entire balance in a single "balloon payment".

**5. Minimum Payment:** If you made only the minimum payments and took no other advances it would take one year at an **ANNUAL PERCENTAGE RATE** of 6.50% to pay off an advance of \$10,000.

During this period, you would make 11 payments of \$55.21 followed by 1 payment of \$10,055.21 (assuming that your outstanding balance remained exactly \$10,000 and that you paid exactly on the due date).

**6. Fees and Charges:** In order to open and maintain an account, you must pay the following fees to us:

- **Commitment Fee:** Percentage of equity credit line amount (minimum \$250) paid at time of closing/disbursement advanced from line. Ask us for those amounts.\*
- **Annual Fee:** None
- **Service Fees:** There are service charges equal to those charges being imposed by Lender for regular type checking accounts, such as "return items". Ask us for our current rate structure for such charges.
- **Property Insurance:** We require that you maintain adequate fire and other hazard insurance (including, where applicable, flood insurance) on property on which you will give us a security interest.

**Other Fees Imposed by Lender to Open Plan\***

- **Fees to Third Parties:** Borrower(s) pay all applicable city, county and state or other mortgage taxes. These mortgage taxes range from 0.5% to 3% and are based on a percentage of the loan amount.\*

\* If you ask, we will give you an itemization of all fees imposed by lender or third party.

**7. Pre-Payment Penalty:** No prepayment penalty will be assessed on a Bridge Line.

**8. Minimum Transaction Requirements:** \$25,000.00.

**9. Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges under the plan.

**10. Variable Rate Feature:** The plan has a variable rate 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 plus or minus a margin (the margin may be a positive or negative number). The index equals the highest U.S. Prime Rate published in the "Money Rates" section of "The Wall Street Journal". The margin is determined by an underwriting process including combined loan to value ratio ("CLTV"), credit qualifications, occupancy and property type. Once your initial **ANNUAL PERCENTAGE RATE** is established, your interest rate will be based on the value of an index plus or minus your margin. If the index is no longer available, we will choose a comparable index to compute the **ANNUAL PERCENTAGE RATE**. Ask us for the current index values, margin, discount and **ANNUAL PERCENTAGE RATE**. After you open a credit line, rate information will be provided on periodic statements that we send you.

**11. Rate Changes:** The rate can change each time the index changes. This rate change may occur every business day. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 21.00%. This is called the "cap". The minimum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 3.00%. This is called the "floor". Apart from the "cap" and the "floor", there is no limit on the amount by which the rate can change during any billing cycle.

**12. Maximum Rate and Payment Example:** If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 21.00% would be \$178.36.\* This **ANNUAL PERCENTAGE RATE** could be reached during the first billing cycle of the draw period.

**13. Historical Example:** The following table shows how the **ANNUAL PERCENTAGE RATE** and the minimum monthly payments for a single \$10,000 advance would be charged based on changes in the index over the last 15 years. The index values are from the first week in March of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional loan advances were taken, that the balance did not exceed the \$10,000 credit limit at any time, that you paid exactly on the due date, that only the minimum payments were made, and that the interest rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future. The table below reflects the minimum index plus margin ranges. Your margin will depend on your line pricing (refer to #10. Variable Rate Feature).

<b>INDEX TABLE</b>				
<b>12 Month Draw Period (Interest Only) with Balloon Payment</b>				
<b>Lines 80% or Less CLTV</b>				
YEAR	INDEX (%)	MARGIN* (%)	APR (%)	MINIMUM PAYMENT (\$)
2004	4.000	2.00	6.000	50.96
2005	5.500	2.00	7.500	63.70
2006	7.500	2.00	9.500	80.68
2007	8.250	2.00	10.250	87.05
2008	6.000	2.00	8.000	67.95
2009	3.250	2.00	5.250	44.59
2010	3.250	2.00	5.250	44.59
2011	3.250	2.00	5.250	44.59
2012	3.250	2.00	5.250	44.59
2013	3.250	2.00	5.250	44.59
2014	3.250	2.00	5.250	44.59
2015	3.250	2.00	5.250	44.59
2016	3.500	2.00	5.500	46.71
2017	3.750	2.00	5.750	48.84
2018	4.500	2.00	6.500	55.21

\*This is a margin we have used recently