

Promotional SpencerFlex Line of Credit Disclosure

IMPORTANT TERMS OF OUR SPENCERFLEX HOME EQUITY LINE OF CREDIT **PROMOTIONAL INTRODUCTORY RATE FOR FIRST TIME SPENCER CREDIT LINE APPLICANTS**

Retention of Information: This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

Availability of Terms: All of the terms described below pertain to applications received as of July 1, 2019 for lines secured by owner-occupied 1-4 family properties and 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 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: We can terminate your line and require your to pay us the entire outstanding balance in one payment 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:

- We reasonably believe that you will not be able to meet the repayment requirements under this Account due to a material change in your financial circumstance.
- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- 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 the 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 occurrence of special events.

Minimum Draw Requirements: The minimum credit advance that you can receive is \$250.

Minimum Payment Requirements: You must pay at least the "Minimum Payment" for each billing cycle by the "Payment Due Date" showing on your monthly statement. Your payments will be due monthly as follows:

The Draw Period: You can obtain advances for 10 years (the "Draw Period"). During the "Draw Period" your monthly minimum payment will equal the greater of 1/240th of your principal balance or \$50.00 plus finance charges that have accrued and any other charges permitted by your agreement.

The Repayment Period: After the "Draw Period" ends, you will no longer be able to obtain advances and must continue to repay the outstanding balance. The minimum payment will continue to be calculated in the same manner as during the draw period.

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Conversion Option:

A. You will have the option to fix the Interest Rate on a portion of the outstanding principal balance by delivering a written "Conversion Request" to us along with payment of a conversion fee. The "Conversion Request" will specify the dollar amount that you choose to convert, but not less than \$25,000. On the date that the conversion option is received by us, the rate and payment of the converted balance will be established based on a 15 year amortized loan at the posted Spencer Savings Bank 15 year fixed home equity loan rate in effect on said date. We may take up to two statement cycles before the conversion is implemented. You will not have this option should you be in default of your Note & Agreement.

B. The amount of the available line will be reduced by the converted balance, and will increase back up to the original line as payments are made.

C. You may exercise this Conversion Option up to 5 times during the life of the draw period, and that up to 3 of the converted balances may run concurrently.

D. Should you choose to convert a balance to a term LESS THAN 15 years then the "Conversion Request" will be subject to re-underwriting based on the then current income and debt which must be re-verified.

E. The fixed rate principal and interest loan payment of the converted loan balance will be calculated by us, and billed monthly as part of my regular credit line billing statement. This fixed principal and interest payment will be part of the total minimum payment due.

Minimum Payment Example: If you made only the minimum payments and took no other credit advances; it would take 16 years and 8 months to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 5.50%. During that period, you would make 200 payments varying between \$95.20 and \$50.23.

FEES AND CHARGES:

Application Fee: The Application Fee is being waived for this promotion. You will be required to pay a Commitment Fee in the amount of \$100.00 within 10 days of us approving your request. In addition to this fee, all customers must carry insurance (including flood insurance if required) on the property that secures the line.

Minimum Draw Violation Fee: If you write a credit advance for less than the minimum draw requirement or in excess of your available credit you will be charged \$35.00 and the credit advance may be returned.

Conversion Fee: The Conversion Fee shall be \$75.00 UNLESS the conversion takes place before the first anniversary of the line being opened in which case it shall be \$125.00.

Early Termination Fee: If my line is closed out less than two years from the date of the note I will be charged 2% of the original line if it is \$15,000 or less, \$300.00 if the original line was above \$15,000 up to \$100,000, or \$500.00 if the original line was more than \$100,000.

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

Appraisal Disclosure: We may order an appraisal or obtain a valuation to determine the property's value and may charge you for this appraisal. If your loan is in a first lien position, then we will promptly provide you a copy of any appraisal/valuation upon completion, even if your loan does not close.

Discount Rate: The initial annual percentage rate will be a "discount" rate of 2.99% for the first 12 months from the date of your Agreement. This rate will be fixed during this period and not subject to any adjustment. After this discount period your annual percentage rate will be calculated as determined in the Variable Rate Information section below.



River Drive Center 3, 611 River Drive
Elmwood Park, New Jersey 07407
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Variable Rate Information: The line 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 not other costs. The annual percentage rate is based on the value of an index subject to a 5.00% Floor Rate. The index is the PRIME RATE published in the WALL STREET JOURNAL "Money Rates" table as published on the last business day of each month. If more than one prime rate is published, the index is the highest of these rates. **Ask us for the current index value, margin, discount or premium, and annual percentage rate.** After you open a credit line, rate information will be provided on periodic statements that we will send to you.

Rate Changes: The annual percentage rate can change each month. The maximum ANNUAL PERCENTAGE RATE that can apply is 13.99%. The minimum ANNUAL PERCENTAGE RATE (FLOOR RATE) is 5.00%.

Maximum Rate and Payment Example: If you had an outstanding balance of \$10,000, the minimum monthly payment at the *maximum* ANNUAL PERCENTAGE RATE of 13.99% would be \$164.99. This ANNUAL PERCENTAGE RATE could be reached in your first month.

HISTORICAL EXAMPLES: The table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 advance would have changed based on changes in the index over the past 15 years. The index values are from the last business day in June of each year. While only one payment amount per year is shown, payments would have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

YEAR	INDEX	MARGIN*	ANNUAL PERCENTAGE RATE	MINIMUM MONTHLY PAYMENT	
2005	6.25%	0.00%	6.25%	\$101.37	DRAW PERIOD
2006	8.25%	0.00%	8.25%	\$113.57	
2007	8.25%	0.00%	8.25%	\$109.67	
2008	5.00%	0.00%	5.00%	\$83.70	
2009	3.25%	0.00%	5.00%**	\$81.23	
2010	3.25%	0.00%	5.00%**	\$78.69	
2011	3.25%	0.00%	5.00%**	\$76.30	
2012	3.25%	0.00%	5.00%**	\$73.84	
2013	3.25%	0.00%	5.00%**	\$71.37	
2014	3.25%	0.00%	5.00%**	\$68.85	
2015	3.25%	0.00%	5.00%**	\$66.44	REPAYMENT PERIOD
2016	3.50%	0.00%	5.00%**	\$63.97	
2017	4.25%	0.00%	5.00%**	\$61.51	
2018	5.00%	0.00%	5.00%	\$59.02	
2019	5.50%	0.00%	5.50%	\$57.23	

* This is a margin we have used recently.

** This represents our 5.00% Floor Rate.

*Flex Intro Rate 2.99% for 12 Months and then
Prime ONLY Disclosure 07/01/19 (2.99% Floor)*

Promotional *SpencerFlex* Line of Credit

Whether you are looking to refinance an existing mortgage, finance large expenses like tuition, home improvements or debt consolidation, or secure a line of credit to keep available, we have the loans that could help. You can count on the knowledge and experience of our Home Equity Professionals to help you choose the plan that works for you. This Promotional *SpencerFlex* Application Package is a 11 page PDF file.

Please send your completed *SpencerFlex* Line of Credit Application Package to:

Spencer Savings Bank
Attention: Consumer Credit Division
611 River Drive
Elmwood Park, NJ 07407

We thank you for the opportunity to serve you and look forward to doing business with you. One of our Consumer Credit representatives will be in touch with you within three business days from receipt of your Home Equity Application Package. If you have any questions, please call us at 1-800-363-8115.

US PATRIOTS ACT NOTICE

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.

Promotional SpencerFlex Line of Credit Check List

Please return copies of the following items on this checklist with your application. All documents provided will be retained in file by the bank and are not subject to return.

- ☐ 1. Home Equity Line Application and Addendum (Signed & Dated)
- ☐ 2. General Authorization Letter (Signed & Dated)
- ☐ 3. Disclosure Acknowledgement (Signed & Dated)
- ☐ 4. Copy of Deed
- ☐ 5. Copy of Property Tax Bill
- ☐ 6. Copy of Homeowners Insurance Policy Coverage Page
- ☐ 7. Copy of Master Condominium Insurance Policy Coverage Page (If Applicable)
- ☐ 8. Verification of Association Dues (If Applicable)
- ☐ 9. Verification of monthly mortgage payment, including property taxes and hazard insurance (i.e., monthly statement) for ALL properties owned
- ☐ 10. Copies of two most recent pay stubs (Borrower)
- ☐ 11. Copies of two most recent pay stubs (Co-Borrower)
- ☐ 12. 2019 & 2018 W-2 Statements (All Borrowers)
- ☐ 13. Most Recent Federal Tax Return Filed (with signatures), including ALL supporting schedules*

*Tax Returns not required if loan amount is \$300,000 or less.

However, if either borrower is *self-employed* or if you collect *rental income*, then you must also include copies of your two most recent Federal Tax Returns filed. Any ownership interest of 25% or more in a *corporation or partnership* must be supported by complete copies of your two most recent Corporate and/or Partnership Returns filed.



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Promotional SpencerFlex Line of Credit Application

Check Loan Application Type

☐ Home Equity Credit Line

☐ Fixed Rate Home Equity Loan

☐ Variable Rate Home Equity Loan

Date Received

Log Number

PLEASE INDICATE IF YOU ARE A <input type="checkbox"/> CURRENT OR <input type="checkbox"/> PREVIOUS CUSTOMER. IF SO <input type="checkbox"/> LOAN <input type="checkbox"/> MORTGAGE <input type="checkbox"/> SAVINGS <input type="checkbox"/> NOW ACCOUNT				Amount Requested \$		Rate	Term	Property type <input type="checkbox"/> Single Family Dwelling <input type="checkbox"/> Condo <input type="checkbox"/> 2-4 Family Dwelling <input type="checkbox"/> PUD <input type="checkbox"/> Other	
Address of property to be secured				Date purchased	Cash down payment	Purchase Price \$		Present value of home \$	
Names of all persons on deed				Mortgage Type: Is your present first mortgage a <input type="checkbox"/> Fixed Rate _____ years <input type="checkbox"/> Adjustable Rate Mortgage <input type="checkbox"/> Balloon Mortgage Due on:			Current Mortgage Rate		
Yr. house built	No. of rooms	No. of bedrooms	No. of baths	Family room or den <input type="checkbox"/> Yes <input type="checkbox"/> No	Gross living area sq. ft.	Garage/Carport (Specify type & no.)		Central air <input type="checkbox"/> Yes <input type="checkbox"/> No	
BORROWER									
Name				Date of Birth Mo. Day Year		CO-BORROWER			
Present Address No Years _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent				Present Address No Years _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent		Date of Birth Mo. Day Year			
Street				Street		City/State/Zip			
City/State/Zip				City/State/Zip		Former address if less than 2 years at present address			
Former address if less than 2 years at present address				Former address if less than 2 years at present address		Street			
City/State/Zip				City/State/Zip		Years at former address <input type="checkbox"/> Own <input type="checkbox"/> Rent			
Years at former address <input type="checkbox"/> Own <input type="checkbox"/> Rent				Dep. other than listed by Co-Borrower No. Ages		Dep. other than listed by Borrower No. Ages			
<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (incl. single, divorced, widowed)				<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (incl. single, divorced, widowed)		<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (incl. single, divorced, widowed)			
Name and address of Employer				Name and address of Employer		Name and address of Employer			
Position/Title				Position/Title		Position/Title			
Type of Business				Type of Business		Type of Business			
Social Security Number				Social Security Number		Social Security Number			
Home Phone				Home Phone		Home Phone			
Business Phone				Business Phone		Business Phone			
Are you a co-maker, endorser or guarantor on any loan or contract? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" for Whom? to Whom?				Are you a co-maker, endorser or guarantor on any loan or contract? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" for Whom? to Whom?		Are you a co-maker, endorser or guarantor on any loan or contract? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" for Whom? to Whom?			
Are there any unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" to Whom Owed? Amount owed \$				Are there any unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" to Whom Owed? Amount owed \$		Are there any unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" to Whom Owed? Amount owed \$			
Name & Address of nearest relative not living with you				Name & Address of nearest relative not living with you		Name & Address of nearest relative not living with you			
Relationship				Relationship		Relationship			
Home phone				Home phone		Home phone			
IF EMPLOYED IN CURRENT POSITION FOR LESS THAN TWO YEARS, COMPLETE THE FOLLOWING									
B/C	Previous Employer/School	City/State	Type of Business	Position/Title	Dates From/To	Monthly Income			
GROSS MONTHLY INCOME									
Item	Borrower	Co-Borrower	Total	BANK	Account No.	Name & Address of Depository			
Empl. Income	\$	\$	\$	Checking					
Other † (Before completing, see notice under Describe Other Income below.)				Savings					
Total	\$	\$	\$						
DESCRIBE OTHER INCOME									
B-Borrower	NOTICE: †Alimony, child support, or separate maintenance income need not be revealed if the Borrower or Co-Borrower does not choose to have it considered as a basis for repaying this loan.				Monthly Amount				
C-Co-Borrower									



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Promotional SpencerFlex Line of Credit Application

DEBTS: List all fixed obligations and installment accounts. (if more space is needed list on attached sheets.)* If no outstanding debt, list three previous credit references.								
	B—Borrower C—Co-Borrower	Creditor's Name and Address	Account No.	Date Incurred	Original Amount	Present Balance	Monthly Payment	Check If Debt To Be Paid Off
SECURED PROPERTY		Name & Address of 1st Mortgage Holder on Secured Property			\$	\$	\$	
		Second Lien On Secured Property						
OTHER REAL ESTATE		List Mortgages On Other Real Estate Owned & Property Address						
AUTO		Lien Holder: Year and Make:						
		Lien Holder: Year and Make:						
		Other Installment or Credit Card Debt						
List any additional names under which credit has previously been received:			If not included in monthly mortgage payment enter the following:					
			Monthly payment for Tax and Insurance ▶					
			Monthly payment for Home Owner Association dues ▶					
			Total Monthly Obligations ▶					
IMPORTANT - APPLICANT READ BEFORE SIGNING								
If you intend to apply for joint credit, please initial here (Applicant) _____ (Co-Applicant) _____								
I/We () do or () do not occupy the property as my/our primary residence.								
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.								
Everything that I/we have stated in this application is correct to the best of my/our knowledge. I/We understand that you will retain this application whether or not it is approved. You are authorized to check my/our credit and employment history and answer questions about your credit experience with me.								
Borrower's Signature _____			Date _____			Co-Borrower's Signature _____		
			Date _____					
DO NOT WRITE BELOW THIS LINE — BANK USE ONLY								

Loan Originator's Name - _____
NMLS# _____

An Equal Opportunity Lender



Loan Origination Company's Name - Spencer Savings Bank
Loan Origination Company Identifier - 421318

Promotional SpencerFlex Important Addendum to Line Application

ELIGIBLE BORROWERS

To be considered for a SpencerFlex Line of Credit, the applicant must have ownership interest in the property to be secured or reside in the secured property with a co-applicant who has ownership interest.

PLEASE PROVIDE THE FOLLOWING INFORMATION TO COMPLETE YOUR APPLICATION

Purpose of Line of Credit

BORROWER

Are you a United States Citizen? ☐ Yes ☐ No

If not, please provide your Nationality: _____

Borrower's Signature _____ Date _____

CO-BORROWER

Are you a United States Citizen? ☐ Yes ☐ No

If not, please provide your Nationality: _____

Borrower's Signature _____ Date _____

Promotional SpencerFlex General Authorization Letter

Borrower 1

Address	City	State	Zip
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Borrower 2

Address	City	State	Zip
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To Whom It May Concern :

I/We have applied for credit and hereby authorize you to release to Spencer Savings Bank, SLA the requested information on the attached form concerning :

1. Employment history, dates, title, income, hours worked, etc.
2. Banking and savings accounts of record
3. Mortgage loan rating (opening date, high credit, payment amount, loan balance and payment record)
4. Any information necessary in connection with a consumer credit report for an application for credit
5. Payoffs and authorization for closing/freezing revolving credit to further advances
6. Reverification of information after closing for quality assurance needs

The information is for the confidential use of the lender in determining my/our credit worthiness for a consumer loan or to confirm information that has been supplied. In addition, I/We are aware that the documentation supplied is subject to reverification after the date of loan disbursement.

A photographic or fax copy of this authorization may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed form is maintained in the Spencer file.

Your prompt reply is appreciated.

Signed,

Borrower 1 Signature	Social Secuirty Number	Date
Borrower 2 Signature	Social Secuirty Number	Date

Promotional SpencerFlex Line of Credit Disclosure Acknowledgement

The undersigned hereby acknowledges that he/she received a copy of the disclosures entitled "Important Terms of Our Home Equity Line of Credit" and of the brochure entitled "What You Should Know About Home Equity Lines Of Credit" together with this SpencerFlex Line of Credit Application.

Date:

Applicant Signature

Date:

Joint Applicant Signature (if applicable)

Promotional SpencerFlex How Did You Hear of Spencer?

Thank you for choosing Spencer Savings Bank, SLA for your Home Equity needs.

We are very interested in hearing how Spencer Savings Bank, SLA was referred to you. Please take a moment to complete this form, and return it with your application.

Thank you for your patronage and we hope to be of continued service to you.

Borrower(s) Name

Property Address

City

State

Zip

How Did You Hear About Home Equity Loans from Spencer?

Please check all that apply and provide as much detail as possible.

☐ INTERNET (Please include the specific name of the website, search engine or online source.)

☐ NEWSPAPER/MAGAZINE (Please include the name of the publication.)

☐ PERSONAL REFERENCE (Please indicate the name of the person.)

☐ REALTOR (Please indicate the name of the realtor.)

☐ SPENCER REPRESENTATIVE/EMPLOYEE (Please indicate the name of the bank employee.)

☐ DIRECT MAIL OR STATEMENT INSERT

☐ EXISTING OR PREVIOUS CUSTOMER

☐ OTHER (Please Specify)