



ATLANTIC COAST BANK
P.O. BOX 1256
Waycross, Georgia 31502-1256
(912) 283-4711



**Credit Plan Predisclosure
1 Year Prime - Home Equity Line of Credit**

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about your Home Equity Open-End Credit Plan. 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. 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 Mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions:

Termination and Acceleration

We can terminate the Home Equity Open-End Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

Suspension or Reduction

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

- (a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (c) you are in default of a material obligation of this Plan;
- (d) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.

Change in Terms

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

Minimum Payment Requirements: You may obtain advances of credit for the first 10 years ("the draw period"). After the draw period ends, you will no longer be able to obtain credit advances (unless, at our option, we allow you to renew or extend the draw period.) After the draw period ends, a non-draw, or repayment period, begins, and your entire outstanding balance must be paid in full by the end of the repayment period according to the chart below:

<u>Outstanding Balance</u>	<u>Repayment Period</u>
\$0 - 10,000	60 Months
\$10,001 - 25,000	120 Months
\$25,001 - 50,000	180 Months
\$50,001 - 125,000	240 Months

You must make minimum monthly payments throughout the draw period and the repayment period. Your minimum monthly payment will equal the amount of your "Regular Payment"; plus any amount past due, any amount by which you have exceeded your credit limit shown on the Open-end Credit Plan and any amount due for all other charges (including debt protection fees, if applicable) due us pursuant to the terms of this Plan, rounded up to the nearest \$1.00. We calculate your Regular Payment by determining the amount required to repay your outstanding Plan balance after each advance under this Plan in equal periodic installments (including **FINANCE CHARGES**) before the end of your repayment period (see chart above).

Your minimum monthly payments may change if we change your minimum payment for one of these reasons: (a) You obtain a new credit advance; or (b) the **ANNUAL PERCENTAGE RATE** has increased so much that your Regular Payment is no longer sufficient to repay your outstanding Plan balance in the given number of months; or (c) the **ANNUAL PERCENTAGE RATE** has increased so much that your Regular Payment will not cover the interest due. If any one of these events occurs, your Regular Payment will be recalculated and increased by an amount necessary to repay your outstanding Plan balance at the new **ANNUAL PERCENTAGE RATE** within the applicable number of months. Your account will be reviewed periodically by us to determine what effects, if any, increases in the **ANNUAL PERCENTAGE RATE** will have on your minimum monthly payment. Each time your minimum payment changes, you will receive a notice from us showing the amount and due date of the new payment. Any change in your minimum monthly payment will be effective for the payment due in the month following the month on which the notice is given.

A decrease in the **ANNUAL PERCENTAGE RATE** will not change the amount of the minimum monthly payment. A decrease may, however, cause the outstanding Plan balance to be repaid prior to the scheduled Maturity Date. When rates decrease, less interest is due. As a consequence, more of the minimum monthly payment is devoted to repayment of the outstanding Plan balance.

Minimum Payment Example: If you made only the minimum monthly payment and took no other credit advances, it would take 15 years to pay off a credit advance of \$10,000 at an initial fixed **ANNUAL PERCENTAGE RATE** of 8.00% for the first 1 year and an **ANNUAL PERCENTAGE RATE** thereafter at 8.00%. During that period, you would make 180 monthly payments of \$95.57.

Fees and Charges: In order to open and maintain an account, you must pay certain fees and charges. The following fees must be paid to us:

Settlement Fee: \$75.00 due before disbursement.

Administration Fee: \$60.00

Late Fee: 10% of the amount overdue with a minimum of \$0.05 if received 15 days late or if the minimum payment is not received.

You must also pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total approximately \$25.00-1500.00. If this is a Broker relationship, additional fees will apply.

Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

You must carry insurance on the property that secures this Plan.

Waiver of Third Party Fees; Reimbursement: If made available to you, we may pay my third party fees if you take an initial advance of \$20,000 or more, excluding existing balances. If we pay your third party fees, you must reimburse those fees if you payoff your line and close your Plan within 36 months of opening the Plan. We may take this amount from your deposits with the institution unless other payment arrangements are made.

Inactivity Fee: A \$50.00 inactivity fee will be charged if you do not incur a minimum of \$100.00 in interest in this Plan during any 12 month period beginning the original loan date. We may take this fee from any deposit account you have with us, or you may pay the fee in any manner acceptable to us. This fee is a **FINANCE CHARGE**.

Transaction Requirements: There is no minimum initial credit advance; there is a minimum of \$500.00 for subsequent advances. You may obtain advances under this Plan in person, by telephone or by mail.

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

Fixed Rate: For the first year of your Plan, your rate will be fixed at the Prime Rate plus a margin. Your margin will be based on your creditworthiness. Thereafter, your rate becomes variable according to the terms of the "Variable Rate" section below.

Variable Rate. This plan has a variable rate feature, and the **ANNUAL PERCENTAGE RATE** and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The Index is the rate identified as the Prime Rate in the 'Money Rates' column as published in the Wall Street Journal. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin to the value of the index. Your margin and initial 1-year fixed rate will be based on your creditworthiness. Ask us for the current index value, margin and **ANNUAL PERCENTAGE RATE**. After you open an account, rate information will be provided on periodic statements that we send you.

Rate Changes: The **ANNUAL PERCENTAGE RATE** can change annually on the anniversary date of your Plan. At no time shall the **ANNUAL PERCENTAGE RATE** be less than 5.50% or exceed 18% or the maximum rate allowed by law.

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 18% would be \$161.04. This **ANNUAL PERCENTAGE RATE** could be reached at the time of the first payment.

Prepayment: You may prepay all or any amount owing under this Plan without penalty unless we have paid your third party fees. If we have paid your third party fees, then the "Waiver of Third Party Fees; Reimbursement" provision applies. Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that you do so.

Historical Example: The following table shows how the percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 10 years. The index values are from the first Monday in June. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
1992	6.50	0.00	6.50 (2)	\$87.11
1993	6.00	0.00	6.00	\$84.53
1994	7.25	0.00	7.25	\$90.65
1995	9.00	0.00	9.00	\$99.03
1996	8.25	0.00	8.25	\$95.64
1997	8.50	0.00	8.50	\$96.68
1998	8.50	0.00	8.50	\$96.68
1999	7.75	0.00	7.75	\$94.11
2000	9.50	0.00	9.50	\$99.47
2001	7.00	0.00	7.00	\$92.80
2002 (3)	4.75	0.00	5.50 (4)	\$89.52
2003	4.25	0.00	5.50 (4)	\$89.52
2004	4.00	0.00	5.50 (4)	\$89.52
2005	6.00	0.00	6.00	\$89.99
2006	8.00	0.00	8.00	\$90.94

1. This is a margin we have used recently; your margin is based on creditworthiness and may be different.

2. This rate reflects the Fixed Rate feature for a period of 1 year.

3. The repayment period begins in this year.

4. This rate reflects a lifetime floor of 5.50%.