

STOUGHTON CO-OPERATIVE BANK
950 PARK STREET
P.O. BOX 446
STOUGHTON, MA 02072-0446
(781) 344-3080

In this disclosure the words "you" and "your" mean the recipient of this disclosure, and the words "we", "us" and "our" mean STOUGHTON CO-OPERATIVE BANK, the Lender listed above. "e" means an estimate.

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

RETENTION OF INFORMATION

This disclosure contains important information about our home equity line of credit, EQUITY RESERVE HELOC ("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. 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 security interest in your home (collateral). You could lose your home if you do not meet the obligations in your Agreement with us.

POSSIBLE ACTIONS

We can terminate your Account, and require you to pay us the entire outstanding balance in one payment if: you engage in fraud or material misrepresentation in connection with the Account; or, you do not meet the repayment terms; or, your action or inaction adversely affects the collateral or our rights in the collateral; and/or, federal law dealing with credit extended by us to you specifically requires that as a condition of your Account the credit shall become due and payable on demand.

We can refuse to make additional extensions of credit or reduce your credit limit if: the value of the dwelling securing the Account declines significantly below its appraised value for purposes of the Account; or, we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; or, you are in default of a material obligation in the Agreement; or, 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; or, a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; and/or, the maximum Annual Percentage Rate is reached.

MINIMUM PAYMENT REQUIREMENTS

You can obtain advances of credit for 120 months (the "Draw Period"). During the Draw Period, payments will be due monthly. Your minimum periodic payment will be equal to the greater of the accrued interest as of the closing date of each billing statement or \$10.00, unless your unpaid balance is less than the latter amount, in which case your minimum payment will be that amount.

After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 120 months (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum periodic payment will be equal to 1/120 of the outstanding principal balance, determined and fixed as of the end of the Draw Period, plus accrued interest as of the closing date of each billing statement.

MINIMUM-PAYMENT EXAMPLE

If you made only the minimum monthly payments and took no other credit advances, it would take 20.000 years to pay off a credit advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 6.500 %. During the Draw Period, you would make 120 monthly payments of \$54.17. During the Repayment Period you would make 119 monthly payments varying between \$137.51 and \$84.24. This would be followed by one final payment of \$82.99.

FEES AND CHARGES

To open and maintain your Account, you must carry insurance on the property securing your Account and pay us the following fees:

Annual Maintenance Fee	\$50.00	***
***	Chargeable as a credit advance to your Account	

You must also pay certain fees to third parties. These fees generally total between \$0.00 and \$677.00. If you ask, we will give you an itemization of the fees that you will have to pay to third parties.

If you tell us you have decided not to enter into the Account within three business days of receiving this Disclosure and the brochure "When Your Home Is On The Line: What You Should Know About Home Equity Lines of Credit" in person, or within six business days after the day we mail them to you, as the case might be, any fees or charges you might have already paid will be refunded.

TAX DEDUCTIBILITY

You should consult a tax advisor regarding the deductibility of interest and charges for the Account.

OTHER PRODUCTS

If you ask, we will provide you with information on our other available home equity products.

MINIMUM TRANSACTION REQUIREMENTS

The minimum ongoing credit advance for this Account is \$500.00.

VARIABLE RATE FEATURE

The Account has a variable rate feature. The Annual Percentage Rate (corresponding to the periodic rate) and minimum payment can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the Wall Street Journal published Prime Rate ("Index") (if published in a range, the highest number in the range will be used) and is published in the Wall Street Journal. To determine the Annual Percentage Rate that will apply to your Account, we subtract a margin from the value of the index. The initial annual percentage rate is a discount rate -- it is not based on the index used for later rate adjustments. The initial rate will be in effect for TWELVE MONTHS. Ask us for the current index value, margin, discount and Annual Percentage Rate. After you open an Account, rate information will be provided on periodic statements that we furnish to you.

RATE CHANGES

The first Annual Percentage Rate change for this Account does not occur with the same frequency as later changes. The first annual percentage rate change for this Account will occur at the end of the twelfth full monthly billing cycle. Thereafter, the Annual Percentage Rate can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000%. Apart from this rate cap, there is no limit on the amount by which the rate can change in any one-year period, except that under no circumstances will the rate ever be less than 4.500% per annum.

MAXIMUM-RATE AND PAYMENT EXAMPLE

If the **ANNUAL PERCENTAGE RATE** during the Draw Period equaled the 18.000 % maximum and you had an outstanding balance of \$10,000.00, your minimum payment would be \$150.00. The maximum Annual Percentage Rate could be reached the first time your Annual Percentage Rate changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately.

If you had an outstanding balance of \$10,000.00 at the beginning of the Repayment Period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 % would be \$233.34. This Annual Percentage Rate could be reached at the beginning of the Repayment Period.

HISTORICAL EXAMPLE

The following table 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 over the past 15 years. The index values are from the last business day of January of each 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 [1]	ANNUAL PERCENTAGE RATE	Minimum Periodic Payment
<u>2011</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>5.990 %[4]</u>	<u>\$49.92</u>
<u>2012</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2013</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2014</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2015</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2016</u>	<u>3.500 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2017</u>	<u>3.750 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2018</u>	<u>4.500 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50</u>
<u>2019</u>	<u>5.500 %</u>	<u>-1.000 %</u>	<u>4.500 %</u>	<u>\$37.50</u>
<u>2020</u>	<u>4.750 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$37.50[5]</u>
<u>2021</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$120.84</u>
<u>2022</u>	<u>3.250 %</u>	<u>-1.000 %</u>	<u>4.500 %[3]</u>	<u>\$117.09</u>
<u>2023</u>	<u>7.500 %</u>	<u>-1.000 %</u>	<u>6.500 %</u>	<u>\$126.67</u>
<u>2024</u>	<u>8.500 %</u>	<u>-1.000 %</u>	<u>7.500 %</u>	<u>\$127.09</u>
<u>2025</u>	<u>7.500 %</u>	<u>-1.000 %</u>	<u>6.500 %</u>	<u>\$115.84</u>

[1] This is a margin we have used recently.

[3] This rate reflects the lifetime rate change limit.

[4] This rate reflects an initial discount we have used recently.

[5] This reflects the end of the Draw Period.

ADDITIONAL PROVISIONS

Early Termination Fee - If Borrower terminates this Agreement & requests a discharge of the mortgage within 36 months from the date of this Agreement then Borrower shall then be obligated to pay Bank a fee of \$500.00.

Introductory Rate - The introductory rate is not available on refinances of existing Stoughton Co-Operative Bank lines of credit, and is not available to customers who previously received an introductory rate on a line of credit for the same property within the past 6 years.

Home equity lines of credit are not available for properties currently for sale or intended to be sold.

The introductory rate is available for new home equity lines of credit on owner occupied 1-4 family residential properties.

ACKNOWLEDGEMENT

The undersigned hereby acknowledge(s) receipt of a copy of this Disclosure and a copy of the Federal Reserve Board brochure "When Your Home Is On The Line: What You Should Know About Home Equity Lines of Credit" on the date indicated below.

Borrower's Signature
Date:

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Date:

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Date:

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Date: