



M&T CHOICEquity Account Important Terms

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 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 have 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 account, require you to pay us the entire outstanding balance in one payment, refuse to make additional extensions of credit, or reduce your credit limit if:

- You engage in fraud or material misrepresentation in connection with the account.
- 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 account declines significantly below its appraised value for the 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.
- 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 limit.
- 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 specified events.

Fees and Charges: Each time you transfer a portion of the outstanding balance to a Choice Loan, except for the first time you do so, you must pay us a Lock-in Fee of \$100.

If the property that will secure your account is located in Arizona, California, Colorado, Connecticut, the District of Columbia, Delaware, Florida, Georgia, Massachusetts, Maryland, Maine, Montana, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, Utah, Virginia, Vermont, Washington, West Virginia, or Wyoming the following applies: Accounts canceled prior to the full completion of the 36th calendar month from your account origination date are subject to reimbursement of 3rd party fees paid in connection with establishing the account. The range of these fees are provided for \$5,000 lines to \$1,000,000 lines. If the property that secures the account is located in AZ, these fees will generally total between \$670 and \$2,929; in CA, these fees will generally total between \$860 and \$3,454; in CO, these fees will generally total between \$1,048 and \$4,027; in CT, these fees will generally range between \$334 and \$4,463; in DC, these fees will generally total between \$450 and \$4,891; in DE, these fees will generally total between \$328 and \$4,241; in FL, these fees will generally total between \$397 and \$11,809; in GA, these fees will generally total between \$360 and \$8,379; in MA, these fees will generally range between \$392 and \$3,956; in MD, these fees will generally total between \$500 and \$18,534; in ME, these fees will generally total between \$251 and \$2,955; in MT, these fees will generally total between \$365 and \$3,994; in NH, these fees will generally total between \$284 and \$3,093; in NJ, these fees will generally range between \$405 and \$4,739; in NY, these fees will generally total between \$461 and \$23,907; in NC, these fees will generally total between \$230 and \$2,929; in OH, these fees will generally total the lesser of (a) 1% of the credit limit for your account, or (b) the total of the origination expenses shown at the beginning of the agreement for your account, which will range between \$316 and \$4,285; in OR, these fees will generally range between \$496 and \$4,413; in SC, these fees will generally total between \$240 and \$3,199; in UT, these fees will generally range between \$309 and \$3,026; in VA, these fees will generally total between \$427 and \$7,415; in VT, these fees will generally total between \$435 and \$3,707; in WA,

these fees will generally range between \$1,169 and \$5,516; in WV, these fees will generally range between \$332 and \$3,277 and in WY, these fees will generally total between \$404 and \$3,948. If you ask, we will give you an itemization of the fees for which you will have to reimburse us.

Insurance: You must carry insurance on the property that secures the account.

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

Parts of Your Account: Your Base Account (having the same meaning as Base Line of Credit Account or Base Line of Credit) is the part of your account from which new advances are made. A Choice Loan is the part of your account to which you may choose to transfer all or a portion of your account's principal balance.

Base Account Draw and Repayment Periods: You can obtain advances of credit from the Base Account for 10 years (the "Draw Period") with the exception being 9 years and 10 months for collateral located in CT. After the Draw Period ends, you will no longer be able to obtain advances of credit. You will be required to repay, in monthly payments, the outstanding balance on your account, together with the applicable finance charges, over a period which is called the "Repayment Period." The length of the Repayment Period is 20 years and one month. Depending on the outstanding balance at the end of the first billing cycle in the Repayment Period and the applicable annual percentage rate, the length of the Repayment Period may be less than 20 years and one month.

Choice Loan Option: During the Draw Period, you have the option to transfer all or a portion of the principal balance of the Base Account to a Choice Loan. The minimum amount you can transfer is \$5,000.00. Generally, you may have up to three Choice Loans in your account at any one time, in addition to the Base Account. When you make a transfer, you can choose the length of time (the "term") you will take to pay the balance of the Choice Loan. You can choose a term from 12 months to 300 months. You may only select a Loan term that does not exceed the remaining term (Draw Period + Repayment Period) of your account.

Minimum Payment Requirements: The minimum payment for your account will be due monthly, and will never be higher than the total outstanding balance. The minimum monthly payment will be the greater of (1) the sum of the minimum monthly payment due on the Base Account plus the total of the minimum monthly payments due for the Choice Loans; or (2) \$100.

The Base Account: You can choose one of two payment options for the Base Account during the ten (10) year Draw Period with the exception being 9 years and 10 months for collateral located in CT, (1) interest only payments; or (2) principal and interest payments:

- **Interest-only payments.** If you choose the interest-only payment option, your minimum monthly payment for the Base Account for any month in the Draw Period will be equal to the interest that accrued on the outstanding principal balance of the Base Account during that month. Under this option, the minimum monthly payment billed for any month in the Draw Period will not reduce the principal that is outstanding on your account.
- **Principal and Interest payments.** If you choose the principal and interest payment option, your minimum monthly payment for each month in the Draw Period will be the sum of the interest that accrued on the outstanding principal balance of the Base Account during that month plus the lesser of (1) the outstanding principal balance in the Base Account at the end of the last day a credit advance was posted to your account divided by 240; or (2) the outstanding principal balance in the Base Account at the end of the month.

Under either payment option, during the Repayment Period, minimum monthly payments for the Base Account will be the sum of the interest that accrued on the outstanding principal balance of the Base Account during the month plus the lesser of (1) the outstanding principal balance in the Base Account at the end of the first billing cycle in the Repayment Period divided by 240; or (2) the outstanding principal balance in the Base Account at the end of that month.

The Choice Loan: The minimum monthly payment for each Choice Loan, during the Draw Period and Repayment Period, will be the sum of the interest that accrued on the outstanding principal balance in the Choice Loan during that month plus the lesser of (1) the balance that was transferred to that Choice Loan when the Choice Loan was established divided by the number of months in the term of that Choice Loan; or (2) the outstanding principal balance in that Choice Loan at the end of that month.

Minimum Payment Examples: If you took a single \$10,000 advance, the **ANNUAL PERCENTAGE RATE** was 8.74%, and no portion of the balance was transferred to a Choice Loan:

- Under the interest-only payment option, it would take 24 years and 1 month to pay off the advance if you made only the minimum payments. During that time, you would make 120 payments of \$72.83 followed by 48 payments ranging from \$114.49-\$100.23, 120 payments of \$100 and one final payment of \$42.71.
- Under the principal and interest payment option, it would take 14 years and 1 month to pay off the advance if you made only the minimum payments. During that time, you would make 48 payments ranging from \$114.49-\$100.23 followed by 120 payments of \$100 and one final payment of \$42.71.

Maximum Rate and Payment Examples: If you had an outstanding principal balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.9% would be:

- Under the interest-only option, the minimum monthly payment during the Draw Period would be \$132.50, and the largest minimum monthly payment after that time would be \$174.16.
- Under the principal and interest option, the largest minimum monthly payment would be \$174.16. The maximum annual percentage rate could be reached during the first billing cycle in the Draw Period.

Variable-Rate Information: This account 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 (corresponding to the periodic rate) includes only interest and not other costs.

The Base Account: The annual percentage rate (corresponding to the periodic rate) on the Base Account is based on the value of an index. The index is the highest prime rate published in *The Wall Street Journal* "Money Rates" section. To determine the annual percentage rate (corresponding to the periodic rate) that will apply to the Base Account, we add a margin to the value of the index. The initial annual percentage rate on the Base Account may be "discounted" – it is based on the index used for later adjustments, but a different margin. The initial discounted rate will be in effect through the first six billing cycles (called the "Discounted Rate Period"), commencing on the date your account is opened.

Ask us for the current index value, margin, annual percentage rate and initial discount for the Base Account. After you open an account, rate information will be provided on periodic statements that we will send to you.

The Choice Loan Option: The annual percentage rate (corresponding to the periodic rate) for a Choice Loan will not change, once it is established. The rate of

interest will be established based on the value of an index. The index is the highest prime rate published in *The Wall Street Journal* "Money Rates" section. To establish the annual percentage rate that will apply to a Choice Loan, we add a margin to the value of the index at the time you transfer a portion of the principal balance to a Choice Loan. The margin we use for the Choice Loan is not necessarily the same margin we use for the Base Account.

The initial annual percentage rate for a Choice Loan may be "discounted" – it is based on the index used for later adjustment, but a different margin. The initial discounted rate will be in effect for transfers made to Choice Loans in the billing cycle in which you open your account. The annual percentage rates on Choice Loans established during that billing cycle will not change during the term of those Choice Loans.

Ask us for the current index value, margin, annual percentage rate and initial discount for Choice Loans. After you open an account, rate information will be provided on periodic statements that we will send to you.

Rate Changes: The annual percentage rate on the Base Account can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.9%. The minimum **ANNUAL PERCENTAGE RATE** that will be charged is 2.99%. Except for the 15.9% "cap" and 2.99% "floor", there is no limit on the amount by which the rate can change during any one-year period. In addition, if you should fail to pay the minimum payment for your account within 30 days of its due date on three or more occasions, we may increase the margin for your Base Account by 2%.

The annual percentage rate for establishing new Choice Loans can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.9%. The minimum **ANNUAL PERCENTAGE RATE** that will be charged is 2.99%.

Historical Example: The following table is for the Base Account. It shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 credit advance would have changed based on the changes in the index over the past 15 years. The index values are from October 1 of each year. While only one payment amount per year is shown, the payments could have varied during each year.

The table assumes that no additional advances were taken, that only the minimum monthly payments were made, that the rate remained constant during each year, and that you did not transfer any portion of the balance to a Choice Loan. The tables do not necessarily indicate how the index or your payments will change in the future.

HOME EQUITY LINE OF CREDIT	Year	Index	Margin	ANNUAL PERCENTAGE RATE	Monthly Payment Interest-only Payment Option	Monthly Payment Principal and Interest Payment Option
		(%)	(%)	(%)	(\$)	(\$)
Draw Period	2011	3.25	1.49	4.99	39.50	100.00
Draw Period	2012	3.25	1.49	4.99	39.50	100.00
	2013	3.25	1.49	4.99	39.50	100.00
	2014	3.25	1.49	4.99	39.50	100.00
	2015	3.25	1.49	4.99	39.50	100.00
	2016	3.50	1.49	5.24	41.58	100.00
	2017	4.25	1.49	5.99	47.83	100.00
	2018	5.25	1.49	6.99	56.17	100.00
	2019	5.00	1.49	6.74	54.08	100.00
	2020	3.25	1.49	4.99	39.50	100.00
Repayment Period	2021	3.25	1.49	4.99	N/A	100.00
	2022	6.25	1.49	7.99	N/A	106.17
	2023	8.50	1.49	10.24	N/A	124.92
	2024	8.00	1.49	9.49	N/A	120.75
	2025	7.25	1.49	8.74	N/A	114.50

* This Margin we have used recently is based upon a \$10,000 credit advance for an approved credit line of \$50,000 in NY, 1st lien position, Fico range of 750 or higher and an LTV of 0.001–69.999

The information below is not part of the Disclosure.

The above disclosure is required by federal law. This disclosure describes a home equity line of credit in very general terms and does not take into account other charges that may apply to a home equity line of credit, such as charges for group credit life insurance, returned check charges and stop payment charges. The minimum payment, maximum rate and payment and historical examples set forth in this disclosure are based on the assumption that the only payments made in connection with the account are minimum monthly payments, that each minimum monthly payment is made on the date it is billed and that a year consists of 12 months. The cost of title insurance, if applicable, and the cost of mortgage recording tax will be based on the maximum amount of the credit line available to you, whether advanced or not.

YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY A JUNIOR ENCUMBRANCE.

This disclosure does not apply to the refinancing of any existing home equity line of credit.