

HOME EQUITY EARLY DISCLOSURE
IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLANS

This disclosure contains important information about our Home Equity Line of Credit Plans. 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 that you pay to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a security interest in 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, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) 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 (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

HOME EQUITY PLANS: We offer three home equity plans, all of which are described in this Disclosure. Terms apply to all plans unless designated to apply to a specific plan. The plans are called the "Fixed Rate Equity Loan", "Platinum", and "Gold" plans.

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

- Annual Fee - Platinum \$35.00 (Due on each anniversary date)
- Early Termination - Platinum: \$500.00 (Due if you close the plan with its first 12 months or the balance goes below \$7,500 during the first 12 months.)
- Loan Processing Fee – Fixed Rate Equity Loan: \$125.00 (Due at closing if borrower is purchasing the property.)
- Loan Fee – Fixed Rate Equity Loan: 2% of the amount advanced charged for each advance if we are in the junior lien position.

You must pay certain fees to third parties to open the plan. These fees generally total between \$325.00 and \$650.00. If you ask, we will provide you with an itemization of the fees you will have to pay third parties.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available. If you fail to maintain satisfactory property insurance we will charge a fee of \$50.00 in addition to the cost of the insurance.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

APPRAISAL: You have the right to receive a copy of the appraisal report used to value your property. You must send us a written request, mailed to PO Box 70225, Eugene, OR 97401-0113. We must receive your request within 90 days of the time we notify of the action we have taken concerning your application. If you withdraw your application, we must receive your request within 90 days of your withdrawal.

TRANSACTION REQUIREMENTS: Platinum: The minimum credit advance that you can receive is \$7,500.00 for the first advance. If you take an advance in person at one of our offices, the minimum advance amount is \$250.00. You must maintain a minimum balance of \$7,500.00 for the first 12 months of the plan. Gold and Fixed Rate Equity Loan: The minimum credit advance that you can receive is \$5,000.00 for the first advance. If you take an advance in person at one of our offices, the minimum advance amount is \$250.00.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

MINIMUM PAYMENT REQUIREMENTS – FIXED RATE EQUITY LOAN: You can obtain credit advances for 10 years subject to our credit and security verification. This period is called the "draw period". At our option, we may renew or extend the draw period. After the draw period ends, the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends but will in no case exceed 20 years. You will be required to make monthly payments during both the draw and repayment periods.

Your minimum monthly payment will be the amount necessary to amortize the balance over a period of one year for each \$1,000.00 of your credit limit (rounded down to the nearest \$1,000.00) up to a maximum of 20 years. This period will be called the "payoff period". Subsequent advances will be amortized to repay the balance to the end of the original payoff period. Because the credit limit will be rounded down to the nearest \$1,000.00, the minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon payment at the maturity date. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs

ANNUAL PERCENTAGE RATE INFORMATION – FIXED RATE EQUITY LOAN: The ANNUAL PERCENTAGE RATE under this plan is not based on an Index. It is based upon a fixed rate, which will be specified either at the time you make a commitment or at closing, and will be based on market conditions at that time. The rate you receive is based on your creditworthiness, our lien position, and your credit limit. The rate will be specified either at the time you receive a commitment letter or at closing, and will be based on market conditions at that time. An **ANNUAL PERCENTAGE RATE** of 7.9% is representative of a fixed rate recently offered by us. The annual percentage rate does not include costs other than interest. Please ask us about the annual percentage rate for which you qualify.

MINIMUM PAYMENT EXAMPLE – FIXED RATE EQUITY LOAN: If you made only the minimum monthly payment and took no other credit advances it would take 10 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.9%. During that period, you would make 119 payments of \$120.80 and one (1) final payment of \$120.91.

CREDIT CARD ACCESS: Upon your request and our approval, you may access the Platinum and Gold plans by using a VISA® credit card.

APPLICABILITY OF TERMS: The rest of this disclosure discusses terms applicable to the Platinum and Gold plans.

MINIMUM PAYMENT REQUIREMENTS – PLATINUM AND GOLD: You can obtain credit advances for 10 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends, the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends but will in no case exceed 20 years. You will be required to make monthly payments during both the draw and repayment periods.

Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases, you will be required to make more payments until the end of the repayment period. The minimum payment may not repay the outstanding balance by the end of the repayment period. You will then be required to make a single balloon payment at the maturity date. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon with us, you may have to pay some or all of the closing costs

Platinum: During the draw period your payment will be 1% of the outstanding balance each month as of the statement date or \$125.00, whichever is greater. At the start of the repayment period, we will recalculate your payment to be equal to the amount required to amortize the then outstanding balance over a period equal to one year for each \$1,000.00 (rounded down to the nearest \$1,000.00), to a maximum of 20 years, or \$125.00, whichever is greater. During the repayment period, your payment will not change until the balance is repaid or the repayment period ends and you repay the balance in a single balloon payment.

Gold: During the draw period your payment will be 1.5% of the outstanding balance each month as of the statement date or \$125.00, whichever is greater. At the start of the repayment period, we will recalculate your payment to be equal to the amount required to amortize the then outstanding balance over a period equal to one year for each \$1,000.00 (rounded down to the nearest \$1,000.00), to a maximum of 20 years, or \$125.00, whichever is greater. During the repayment period, your payment will not change until the balance is repaid or the repayment period ends and you repay the balance in a single balloon payment.

NEGATIVE AMORTIZATION – PLATINUM AND GOLD: Under some circumstances during the draw period, the minimum payment will not cover the finance charges (interest) that is owed and "negative amortization" will occur. You may prevent negative amortization from occurring by voluntarily increasing your payment to cover the interest that is owed.

MINIMUM PAYMENT EXAMPLE: Platinum: If you made only the minimum monthly payment and took no other credit advances it would take 7 years 10 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.0%. During that period, you would make 93 payments of \$125.00 and one (1) final payment of \$25.03.

Gold: If you made only the minimum monthly payment and took no other credit advances it would take 8 years 1 month to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 5.25%. During that period, you would make 96 payments of \$125.00 to \$150.00 and one (1) final payment of \$7.65.

Gold Junior Lien: If you made only the minimum monthly payment and took no other credit advances it would take 10 years 3 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 9.75%. During that period, you would make 120 payments of \$125.00 to \$150.00, followed by 2 payments of \$125.00 and one (1) final payment of \$106.16.

VARIABLE RATE FEATURE: These plans have a variable rate feature and the annual percentage rate (corresponding to the periodic rate) may change as a result. An increase in the annual percentage rate will cause you to make more

payments and possibly result in a balloon payment or higher balloon payment. 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 Prime Rate published in the Money Rates column of the Wall Street Journal. When a range of rates has been published the highest rate will be used. We will use the most recent index value available to us as of 15 days before the first day of January, April, July and October.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. If the rate is not already rounded we then round up to the next .25%. If you have the Platinum plan, the margin you receive is based on your creditworthiness and may be higher than the margin shown in the Historical Table. If you have a Gold plan, the margin you receive is based on our lien position. If we are in the first or second lien position, your margin will be lower than if we are in a more junior position. Please ask us about the margin for which you qualify.

Ask us for the current index value, margin and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change quarterly on the 11th day of January, April, July and October. The rate cannot increase or decrease more than 2.0 percentage points in any one calendar year period. The **ANNUAL PERCENTAGE RATE** cannot increase more than 6.0 percentage points above the initial rate or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.0% at any time during the term of the plan or 6.0 percentage points below your initial rate, whichever is higher. Ask us for the specific rate limitations that will apply to your credit line.

MAXIMUM RATE AND PAYMENT EXAMPLES: Platinum: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 10% would be \$125.00 during the draw period and \$132.15 during the repayment period. This annual percentage rate could be reached at the time of the 25th payment during the draw period and the 25th payment during the repayment period.

Gold: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 11.25% would be \$150.00 during the draw period and \$139.17 during the repayment period. This annual percentage rate could be reached at the time of the 25th payment during the draw period and the 25th payment during the repayment period.

Gold Junior Lien: If you had an outstanding balance of \$10,000, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.75% would be \$150.00 during the draw period and \$165.95 during the repayment period. This annual percentage rate could be reached at the time of the 25th payment during the draw period and the 25th payment during the repayment period

PREFERRED RATE: You may receive a .50% reduction in the **ANNUAL PERCENTAGE RATE** if you agree to repay your loan using an automatic transfer method. The annual percentage rate will increase by the amount of the reduction if you cease making payments using automatic transfer.

HISTORICAL EXAMPLE: The following tables show how the annual 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 15 years. The index values are from the last business day of January of each year. While only one payment per year is shown, payments may have varied during each year.

The tables assume that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. They do not necessarily indicate how the index or your payments will change in the future.

PLATINUM PLAN
WALL STREET JOURNAL PRIME RATE INDEX TABLE

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1995	8.500	0.00	8.500	125.00 ⁽³⁾
1996	8.500	0.00	8.500	125.00 ⁽³⁾
1997	8.250	0.00	8.250	125.00 ⁽³⁾
1998	8.500	0.00	8.500	125.00 ⁽³⁾
1999	7.750	0.00	7.750	125.00 ⁽³⁾
2000	8.500	0.00	8.500	125.00 ⁽³⁾
2001	9.000	0.00	9.000	125.00 ⁽³⁾
2002	4.750	0.00	7.000 ⁽²⁾	125.00 ⁽³⁾
2003	4.250	0.00	5.000 ⁽²⁾	125.00 ⁽³⁾
2004	4.000	0.00	4.000	125.00 ⁽³⁾
2005	5.250	0.00	5.250	
2006	7.500	0.00	7.250 ⁽²⁾	
2007	8.250	0.00	8.250	
2008	6.000	0.00	6.250 ⁽²⁾	
2009	3.250	0.00	4.250 ⁽²⁾	

⁽¹⁾ This is a margin we have used recently; your margin may be different.

⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.

⁽³⁾ This payment reflects the minimum payment of \$125.00

GOLD PLAN
WALL STREET JOURNAL PRIME RATE INDEX TABLE

	- First or Second Lien -	- Junior Lien -
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Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1995	8.500	2.00	10.500	150.00	6.50	15.000	150.00
1996	8.500	2.00	10.500	139.13	6.50	15.000	145.56
1997	8.250	2.00	10.250	129.08	6.50	14.750	141.31
1998	8.500	2.00	10.500	125.00 ⁽³⁾	6.50	15.000	136.79
1999	7.750	2.00	9.750	125.00 ⁽³⁾	6.50	14.250	132.74
2000	8.500	2.00	10.500	125.00 ⁽³⁾	6.50	15.000	127.85
2001	9.000	2.00	11.000	125.00 ⁽³⁾	6.50	15.500	125.00 ⁽³⁾
2002	4.750	2.00	9.000 ⁽²⁾	125.00 ⁽³⁾	6.50	13.500 ⁽²⁾	125.00 ⁽³⁾
2003	4.250	2.00	7.000 ⁽²⁾	125.00 ⁽³⁾	6.50	11.500 ⁽²⁾	125.00 ⁽³⁾
2004	4.000	2.00	6.000	125.00 ⁽³⁾	6.50	10.500	125.00 ⁽³⁾
2005	5.250	2.00	7.250	125.00 ⁽³⁾	6.50	11.750	125.00 ⁽³⁾
2006	7.500	2.00	9.250 ⁽²⁾		6.500	13.750 ⁽²⁾	125.00 ⁽³⁾
2007	8.250	2.00	10.250		6.500	14.750	125.00 ⁽³⁾
2008	6.000	2.00	8.250 ⁽²⁾		6.50	12.750 ⁽²⁾	125.00 ⁽³⁾
2009	3.250	2.00	6.250 ⁽²⁾		6.50	10.750 ⁽²⁾	125.00 ⁽³⁾

⁽¹⁾ This is a margin we have used recently; your margin may be different.

⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects an annual percentage rate periodic cap of 2.000% per year.

⁽³⁾ This payment reflects the minimum payment of \$125.00.