PERSONAL OPEN END HOME EQUITY LINE OF CREDIT – MIN. 700 CBR SCORE
VARIABLE RATE DISCLOSURE

TENNESSEE STATE BANK
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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 prior to opening the line. 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 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: Under certain circumstances, we can (1) terminate your line and require you to pay us the entire outstanding balance in one payment and impose a termination fee that is comprised of all fees paid by the Bank to third parties on your behalf associated with loan closing 2) refuse to make additional extensions of credit; and (3) reduce your credit limit.
We can terminate your line and require you to pay us the entire outstanding balance in one payment if:
(1) You engage in fraud or material misrepresentation in connection with the line; (2) you do not meet the repayment terms; 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) The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (2) we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (3) you are in default of a material obligation in the agreement; (4) 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; (5) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; (6) 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.

Minimum Payment Requirements: You can obtain credit advances for 10 years. During this period, payments will be due monthly. Your minimum monthly payment will equal the amount of accrued interest only. Under the monthly payment option, the minimum payment will not reduce the principal that is outstanding on your line and will not fully repay the principal that is outstanding on your line. You will then be required to pay the entire balance in a single balloon payment.

Minimum Payment Examples: Under the monthly payment option, 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 $10,000.00 at an ANNUAL PERCENTAGE RATE of 6.75%. During that period, you would make 119 payments of $55.48, with a final payment of $10,055.48.

Fees and Charges: Fees or charges to third parties generally total between $200 and $2,500 and may include fees for appraisals, surveys, credit reports, flood determination, government recording, title services, title insurance and attorney services. If you ask, we will give you an itemization of the fees owed to third parties to open a line of credit. The Bank will pay all these fees on your behalf at origination. See “Additional Terms”.

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

Refund of Fees: If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity booklet, you are entitled to a refund of any fee you may have already paid.

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

Availability of Other Home Equity Plans: If you ask, we will provide you with information on our other available home equity lines of credit.

Variable Rate Feature: This plan 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 no other costs. The annual percentage rate is based on the value of an index. The index is the **Prime Rate** as published in the Wall Street Journal. Ask us for the current index value and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes: The annual percentage rate can change daily. There is no limit on the amount by which the rate can change in any one-year period. The maximum ANNUAL PERCENTAGE RATE that can apply during the plan is 18%.

Maximum Rate And Payment Examples: Under the monthly payment option, if you had an outstanding balance of $10,000.00, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be $147.95. The maximum annual percentage rate could be reached in the first day.

Additional Terms: Fees and Charges for Early Termination or Default – Fees or charges to third parties generally total between $200 and $2,500 and may include fees for appraisals, surveys, credit reports, flood determination, government recording, title services, title insurance and attorney services. The Bank will pay all these fees on your behalf at origination. The Bank will provide you with an itemization of fees paid to third parties at loan closing and/or on the date of any modification. A termination fee will be assessed if you close or modify the line of credit for any reason within the first 3 years of the Agreement date or you are in default of your Home Equity Line of Credit Agreement. The termination fee is comprised of all fees paid by the Bank to third parties on your behalf associated with loan closing and/or on the date of any modification.

Historical Examples: 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 last 15 years. The index values are from the first business day of February. 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 (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment ($)
2012	3.250	3.250	26.71
2013	3.250	3.250	26.71
2014	3.250	3.250	26.71
2015	3.250	3.250	26.71
2016	3.500	3.500	28.77
2017	3.750	3.750	30.82
2018	4.500	4.500	36.99
2019	5.500	5.500	45.21
2020	4.750	4.750	39.04
2021	**3.250**	**3.250**	****26.71**
2022	3.250	3.250	26.71
2023	7.500	7.500	61.64
2024	8.500	8.500	69.86
2025	7.500	7.500	61.64
2026	6.750	6.750	55.48

**The draw term is 10 years. The indices, APRs and payment amounts below the line are outside the term provided by this program. At the expiration of the draw term a balloon payment of the full principal amount plus any unpaid interest and fees is due. Please refer to the paragraphs entitled *Minimum Payment Requirements* and *Minimum Payment Examples* for more information.

Minimum Payment Example is Prime effective 12.11.2025; Historical Example is Prime on first business day of February each year; Equal to Prime