FREEDOM BANK

VARIABLE RATE (OPEN-ENDED) HOME EQUITY APPLICATION INSTRUCTIONS

Dear Applicant:

Thank you for applying for a Home Equity Line of Credit with Freedom Bank.

Listed below are the required items to promptly process your application. Please be certain that you complete all the information on the application, thoroughly and in its entirety.

1. Completed and signed application and Home Equity Line of Credit Product Addendum:
    a. Please indicate the type of credit being applied for (individual or joint) and initial appropriate section.
    b. Complete all personal information as well as employment facts.

2. Copies of your last two Federal Tax Returns, most recent W2 Wages Statement and your last two paystubs. If you rely on Social Security, Disability, Pension, or other regular recurring payments, submit a copy of any forms that document this income.

3. Copy of your mortgage statement. If taxes are not included in your mortgage payment or you currently do not have a first mortgage lien, please submit a copy of your property tax bill.

4. USA Patriot Act Customer Identity Verification Disclosure.

Loan applications will be accepted for processing only within the State of New Jersey on owner-occupied dwellings and take approximately 4 weeks to process.

If your loan is approved and originated, Freedom Bank will place a lien on the property security the credit line. Our lien position must be 1st or 2nd.

If it is determined that the property securing the loan is located in a designated flood hazard area, adequate flood insurance will be required. If required, you must present evidence of insurance prior to loan closing.

If your loan is approved and originated, homeowner's insurance equal to the original loan amount plus any outstanding liens, must be maintained. Proof of adequate insurance must be provided prior to closing.

Title insurance and full appraisals will be required on all loan requests $250,000 and over at Borrower's expense.

Additional closing costs for third party fees and recording fees will range from $423.85 - $13,000.00

Attached please find:

1. Privacy Notice of Freedom Bank
2. USA Patriot Act Customer Identity Disclosures
3. Home Equity Application Disclosure:
   a. Draw-Down Line of Credit
4. Home Equity Line of Credit Product Addendum and Application
5. What you should know about Home Equity Lines of Credit

Additional documents may be required during the approval process. If you should have any questions, please contact Michael Catania, Vice President, at (201) 599-3000, ext. 1145.

Michael Catania

Loan Originator MLO#641644 Freedom Bank's MLO#499877

FREEDOM BANK

HOME EQUITY LINE OF CREDIT (HELOC)

IMPORTANT: READ THESE DIRECTIONS BEFORE COMPLETING THIS APPLICATION.

Application #________ Date Received____________
Freedom Bank MLO#_______ Loan Officer MLO#______

Account Requested
☐ Individual ☐ Joint
We intend to apply for joint credit ________________ Applicant ________________ Co-Applicant

If you are applying for an individual account in your own name AND are relying on your own income or assets, NOT the income or assets of another person, as the basis for repayment of the credit requested, complete this application with only information pertaining to you, the Applicant.

If you are applying for a joint account OR an account that you and another person will use, complete this application with information pertaining to you as the Applicant and information pertaining to the joint applicant or user as the Co-applicant.

Purpose of Loan:	Refinance ☐ Home Improvement ☐ Purchase ☐	Other ☐	Will this loan pay off or refinance the original mortgage used to purchase the subject property?	Yes ☐ No ☐
Amount $		Primary Residence ☐ Secondary Residence ☐	Property Type ☐ Single Family Dwelling ☐ Other # of units____	
Address of Property		Annual Property Taxes	Year Purchased	Purchase Price
Present Value of Home	Total Amount of Existing Liens			Yr. House Built
Title In Name of	Block and Lot#	Home Owners Insurance Co.	Agents Name and Telephone No.	

APPLICANT / CO-APPLICANT

APPLICANT	CO-APPLICANT
Name / Date of Birth / Yrs. of Education	Name / Date of Birth / Yrs. of Education
Present Address No. Years______ ☐ Own ☐ Rent	Present Address No. Years______ ☐ Own ☐ Rent
Street	Street
City/State/Zip	City/State/Zip
Former Address If less than 5 years at present address	Former Address If less than 5 years at present address
Street	Street
City/State/Zip	City/State/Zip
Years at former address ☐ Own ☐ Rent	Years at former address ☐ Own ☐ Rent
Marital Status ☐ Married ☐ Separated ☐ Unmarried (incl. single, divorced, widowed) — DEPENDENTS OTHER THAN LISTED BY CO-BORROWER: NO. / AGES	Marital Status ☐ Married ☐ Separated ☐ Unmarried (incl. single, divorced, widowed) — DEPENDENTS OTHER THAN LISTED BY CO-BORROWER: NO. / AGES
Name and Address of Employer — Years employed in this line of work or profession? ______Years; Years on the job______; ☐ Self-employed	Name and Address of Employer — Years employed in this line of work or profession? ______Years; Years on the job______; ☐ Self-employed
Position/Title / Type of Business / Business Phone	Position/Title / Type of Business / Business Phone
Social Security Number / Form / Home Phone	Social Security Number / Form / Home Phone

GROSS MONTHLY INCOME

Item	Borrower	Co-Borrower	Total
Base Empl. Income	$	$	$
Overtime			
Bonuses			
Commissions			
Dividends/Interest			
Net Rental Income			
Other † (Before completing, see Notice under Describe Other Income below.)			
Total	$	$	$

Account Information	Name & Address of Depository (Bank)
Checking Account #	
Balance	
Savings Account #	
Balance	
Other Assets	

PERSONAL REFERENCES

Name	Address (Street or P.O. Box, City, State, Zip Code)	Phone Number	Relationship

DESCRIBE OTHER INCOME

B-Borrower C-Co borrower	NOTICE: † Alimony, child support, or separate maintenance income need not be revealed if the Borrower or Co-borrower does not choose to have it considered as a basis for repaying the loan.	Monthly Amount
B		$
C		

IF EMPLOYED IN CURRENT POSITION FOR LESS THAN TWO YEARS, COMPLETE THE FOLLOWING

	Previous Employer	City/State	Type of Business	Position/Title	Dates/From/To	Monthly Amount
B						$
C						

QUESTIONS

Applicant (1)	Co-Applicant (2)		Explanation (Please use an attached sheet if necessary)
☐ Yes ☐ No	☐ Yes ☐ No	Are there any outstanding judgments against you?	
☐ Yes ☐ No	☐ Yes ☐ No	Have you ever been declared bankrupt?	
☐ Yes ☐ No	☐ Yes ☐ No	Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	
☐ Yes ☐ No	☐ Yes ☐ No	Are you party to a lawsuit?	
☐ Yes ☐ No	☐ Yes ☐ No	Are you obligated on any loan resulting in judgment, foreclosure or title transfer?	
☐ Yes ☐ No	☐ Yes ☐ No	Are you delinquent/in default on any Federal debt, financial obligation, bond, or loan guarantee?	
☐ Yes ☐ No	☐ Yes ☐ No	Are you obligated to pay alimony, child support, or separate maintenance?	
☐ Yes ☐ No	☐ Yes ☐ No	Is any part of the down payment borrowed?	
☐ Yes ☐ No	☐ Yes ☐ No	Are you a co-maker or an endorser on a loan?	
☐ Yes ☐ No	☐ Yes ☐ No	Have you ever had merchandise repossessed?	
☐ Yes ☐ No	☐ Yes ☐ No	Have you every been denied credit with this lender?	
☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No	☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No	Are you a U.S. citizen? If no, are you a resident alien? If no, are you a non-resident alien?	

STATEMENTS OF ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarries Co-Applicant if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise separate Statements and schedules are required. If the Co-Applicant section was completed about a spouse, this statement can and supporting schedules must be completed about that spouse also..

☐ Completed Jointly ☐ Not Completed Jointly

ASSETS / LIABILITIES AND PLEDGED ASSETS

Indicate by (*) those liabilities or pledged assets which will be satisfied upon sale of real estate owned or upon refinancing subject property.

Description	Cash or Market Value	Creditor's Name, Address and Account Number	Acct. Name if Not Applicant's	Mo. Pmt. and Mos. left to pay	Unpaid Balance
Checking and Savings Accounts (Show Names and Institutions/Acct. Nos.)	$	Installments Debts (include "revolving" charge accts)		$ Pmt./Mos. /	$
				/	
				/	
				/	
Stocks and Bonds (No./Description)				/	
				/	
Life Insurance Net Cash Value **Face Amount ($)**				/	
SUBTOTAL LIQUID ASSETS	$	Other Debts Including Stock Pledges		/	
Real Estate owned **Enter Market Value from Schedule or Real Estate owned)**		Real Estate Loans			
Vested Interest in retirement Fund					
Net Worth of Business Owned (ATTACH FINANCIAL STATEMENT)					
Automobiles (Make and Year)		Automobile Loans		/	
Furniture and Personal Property		Alimony, Child Support and Separate Maintenence Payments Owed to		/	
Other Items (Itemized					
		TOTAL MONTHLY PAYMENTS		$	
TOTAL ASSETS	A $	NET WORTH (A MINUS B) $		TOTAL LIABILITIES	B $

SHEDULE OF REAL ESTATE OWNED (If Additional Properties Owned Attach Separate Schedule)

Address of Property (Indicate S if Sold, PS if Pending Sale or R if Rental being held for income)	✓	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Taxes, Ins. Maintenance and Misc.	Net Rental Income
			$	$	$	$	$	$
		TOTALS ➤	$	$	$	$	$	$

LIST PREVIOUS CREDIT PREFERENCES

✓	A-Applicant C-Co-Applicant Creditor's Name and Address	Account Number	Purpose	Highest Balance	Date Paid
				$	

List any additional names under which credit has previously been received____________________

I/We hereby apply for the loan or credit described in this application. I/We certify that I/We made no misrepresentations in this loan application or in any related documents, that all information is true and complete, and that I/We did not omit any important information. I/We agree that any property securing the loan or credit will not be used for any illegal or restricted purpose. Lender is authorized to verify with other parties and to make an investigation into My/Our credit, either directly or through any agency employed by Lender for that purpose. Lender may disclose to any other interested parties information as to Lender's experiences or transactions with My/Our account. I/We understand that Lender will retain this application and any other credit information Lender receives, even if no loan or credit is granted. These representations and authorizations extend not only to Lender, but also to any insurer of the loan and to any investor to whom the Lender may sell all or any part of the loan. I/We further authorize Lender to provide any such insurer or investor any information and documentation that they may request with respect to My/Our application, credit or loan.

________________ Borrower's Signature ________ Date ________________ Co-borrower's Signature ________ Date

FREEDOM BANK

HOME EQUITY LINE OF CREDIT
PRODUCT ADDENDUM

Dear Applicant:

Please review the offered product detailed below as well as the attached, corresponding Home Equity Line of Credit Early Disclosures. Be sure to indicate that this is the product you would like to apply for, execute where indicated, and return this addendum with your completed Home Equity Line of Credit application package.

______ **Draw-Down Line of Credit –** 10-year draw period followed by a 15-year repayment period with payments of principal plus interest due monthly based upon a 15-year repayment schedule. The current rate is Prime – 1.00% with a floor of 4.750%. Prime is currently 6.750%.

______________________________ ______________________________

Applicant Co-Applicant

If you should have any questions before making your selection, please do not hesitate to contact the loan department at (201) 599-3000 ext. 1145.

Michael Catania

Loan Originator MLO#641644 Freedom Bank MLO # 499877

U.S.A. Patriot Act
Customer Identity Verification Disclosure

Federal Regulations enacted pursuant to Section 326 of the USA Patriot Act require all financial institutions to verify the identity of every person who seeks to open an account or become a signatory on an account with the institution. All persons are subject to the identity verification requirements even though they may be a long term customer of and well known to the bank.

For the purpose of the regulation, an "account" includes every formal banking relationship that entails ongoing services, dealings, or transactions. Some examples are a deposit account, loan, trust relationship, or safe deposit box rental.

If you request to open an account or become a signatory on an account, and we have not previously verified your identity under the new regulatory requirements, we will request documentary verification of your identity, such as a driver's license or passport and/or will verify your identity through other non-documentary methods. Similar identification requirements apply to business entities such as corporations and partnerships.

Customer Acknowledgement:

_________________________________ _____________________
Signature **Date**

First Name: ______________________ **MI:** _______ **Last Name:** ________________________

Street Address*: ____
*(Please note: PO Box holders must furnish physical address as well as mailing address)

City: ______________________________ **State:** ___________ **Zip:** _________________

Date of Birth: ___________________ **Social Security #:** __________-_________-_________

Home Phone #: ______________________ **Work Phone #:** _________________________

Driver's License Number: ____
(OR other approved photo ID #)

Issued State: ___________ **Issuing Date:** ________________ **Exp. Date:** _________________

Email Address: ____

Please provide (2) (CLEAR) forms of Identification (Photo ID-License) and Major Credit Card

U.S.A. Patriot Act
Customer Identity Verification Disclosure

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Customer Acknowledgement:

____________________________________ ______________________
Signature **Date**

First Name: ______________________ **MI:** _______ **Last Name:** ________________________

Street Address*: ____
*(Please note: PO Box holders must furnish physical address as well as mailing address)

City: ______________________________ **State:** ___________ **Zip:** _________________

Date of Birth: ___________________ **Social Security #:** __________-_________-_________

Home Phone #: ______________________ **Work Phone #:** _________________________

Driver's License Number: ____
(OR other approved photo ID #)

Issued State: ___________ **Issuing Date:** ________________ **Exp. Date:** _________________

Email Address: ____

Please provide (2) (CLEAR) forms of Identification (Photo ID-License) and Major Credit Card

HOME EQUITY APPLICATION DISCLOSURE

Borrower:		**Lender:**	**Freedom Bank** **Main Branch** **99 West Essex Street, 2nd Floor** **Maywood, NJ 07607**

IMPORTANT TERMS OF OUR
HOME EQUITY APPLICATION DISCLOSURE

Originator NMLSR ID: 641644
Origination Co. NMLSR ID: 499877

This disclosure contains important information about our HELOC - Draw Period with Amortization (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein 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 security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

(a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.

(b) You do not meet the repayment terms of the Plan.

(c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

(a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

(b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.

(c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).

(d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.

(e) 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 limit.

(f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

(g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
NSF Handling Fee:	$30.00	At the time a payment is returned to us for non-sufficient funds
Stop Payment Fee:	$25.00	At the time you request a Stop Payment

Late Charge. Your payment will be late if it is not received by us within **15 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you 5.000% of the unpaid amount of the payment.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between $423.85 and $13,000.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Judgement Search:	$24.00-$100.00	At Closing
HVE/Appraisal Fee:	$31.00 - $2,000.00	At Closing if HVE; When application submitted for Appraisal
Property/Title Search:	$35.00 - $10,000.00	At Closing
Record Mortgage:	$101.00 - $120.00	At Closing
Credit Report :	$102.85 - $411.40	At Closing

Description	Amount	When Charged
Mortgage Cancellation/Discharge of Mtg:	$55.00 - $65.00	At Account Payoff
Administration/Overnight Mail Fees:	$20.00-$125.00	At Account Closing

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: Ten (10) Years (the "Draw Period"). After the Draw Period ends, the repayment period will begin. You will no longer be able to obtain credit advances. The length of the repayment period is as follows: Fifteen (15) Years. Your Regular Payment will equal the amount of your accrued FINANCE CHARGES ("First Payment Stream"). Your payments will be due monthly. Your First Payment Stream will last for the first 120 months. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment. The Minimum Payment during the First Payment Stream will not reduce the principal that is outstanding on your Credit Line.

After completion of the First Payment Stream, your Regular Payment will be based on a percentage of your balance at the start of this payment period plus all accrued FINANCE CHARGES as shown below ("Second Payment Stream"). Your payments will be due monthly.

Range of Balances	Number of Months	Regular Payment Calculation
All Balances	180	0.560% of your balance at the start of the repayment period plus all accrued FINANCE CHARGES

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

In any event, if your Credit Line balance falls below $100.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 24 years and 10 months to pay off a credit advance of $10,000.00 at an ANNUAL PERCENTAGE RATE of 5.750%. During that period, you would make 120 monthly payments ranging from $44.11 to $48.84. Then you would make 178 monthly payments ranging from $56.68 to $104.84.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Credit Line Home Equity Line of Credit Check, Telephone Request, Request By Mail and In Person Request Limitations. The following transaction limitations will apply to your Credit Line and the writing of Home Equity Line of Credit Checks, requesting an advance by telephone, requesting an advance by mail and requesting an advance in person.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is $250.00. This means any Home Equity Line of Credit Check must be written for at least the minimum advance amount.

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

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Wall Street Journal Prime as published weekly in the "Money Section" of the Wall Street Journal . Information about the Index is available or published in the Wall Street Journal . We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your First Payment Stream, we subtract a margin from the value of the Index, then divide the value by 12 (monthly). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by 12 (monthly). This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we subtract a margin from the value of the Index, then divide the value by 12 (monthly). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by 12 (monthly). This result is the ANNUAL PERCENTAGE RATE for your Second Payment Stream. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change monthly. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 16.000% per annum or, go below 4.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE.

Draw Period. If you had an outstanding balance of $10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 16.000% would be $135.89. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment.

Repayment Period. If you had an outstanding balance of $10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 16.000% would be $191.89. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment during the repayment period.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below 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 from 2012 to 2026. The Index values are from the following reference period: as of the first day of July. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

INDEX TABLE

	Year (as of the first day of July)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
Draw Period	2012	3.250	-1.000	4.750 (8)	40.34
	2013	3.250	-1.000	4.750 (8)	40.34
	2014	3.250	-1.000	4.750 (8)	40.34
	2015	3.250	-1.000	4.750 (8)	40.34
	2016	3.500	-1.000	4.750 (8)	40.34
	2017	4.250	-1.000	4.750 (8)	40.34
	2018	5.000	-1.000	4.750 (8)	40.34
	2019	5.500	-1.000	4.750 (8)	40.34
	2020	3.250	-1.000	4.750 (8)	40.34
	2021	3.250	-1.000	4.750 (8)	40.34
Repayment Period	2022	4.750	-1.000	4.750 (8)	96.34
	2023	8.250	-1.000	7.250	113.44
	2024	8.500	-1.000	7.500	111.14
	2025	7.500	-1.000	6.500	100.08
	2026	6.750	-1.000	5.750	91.71

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

(8) This A.P.R. reflects a 4.750 percent floor.

Rev. 05/2014

FACTS

WHAT DOES Freedom Bank DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and income • Account balances and payment history • Credit history and credit score When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons Freedom Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Freedom Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 201-599-3000 or go to www.freedombanknj.com

Who we are	
Who is providing this notice?	Freedom Bank

What we do	
How does Freedom Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Freedom Bank collect my personal information?	We collect your personal information, for example, when you ■ open an account or make a deposit ■ apply for loan or use your debit card ■ pay your bills We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ■ *Freedom Bank does not share with our affiliates.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ■ *Freedom Bank does not share with nonaffiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ■ *Freedom Bank does not jointly market.*

Other important information

WHAT YOU SHOULD KNOW ABOUT

Home Equity Lines of Credit (HELOC)

Borrowing from the value of your home

Consumer Financial Protection Bureau

An official publication of the U.S. government

How to use the booklet

When you and your lender discuss home equity lines of credit, often referred to as HELOCs, you receive a copy of this booklet. It helps you explore and understand your options when borrowing against the equity in your home.

You can find more information from the Consumer Financial Protection Bureau (CFPB) about home loans at cfpb.gov/mortgages. You'll also find other mortgage-related CFPB resources, facts, and tools to help you take control of your borrowing options.

About the CFPB

The CFPB is a 21st century agency that implements and enforces federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

This pamphlet, titled What you should know about home equity lines of credit, was created to comply with federal law pursuant to 15 U.S.C. 1637a(e) and 12 CFR 1026.40(e).

How can this booklet help you?

This booklet can help you decide whether home equity line of credit is the right choice for you, and help you shop for the best available option.

A home equity line of credit (HELOC) is a loan that allows you to borrow, spend, and repay as you go, using your home as collateral.

Typically, you can borrow up to a specified percentage of your equity. Equity is the value of your home minus the amount you owe on your mortgage.

Consider a HELOC if you are confident you can keep up with the loan payments. If you fall behind or can't repay the loan on schedule, you could lose your home.

After you finish this booklet:

- You'll understand the effect of borrowing against your home
- You'll think through your borrowing and financing options, besides a HELOC
- You'll see how to shop for your best HELOC offer
- You'll see what to do if the economy or your situation changes

Compare a HELOC to other money sources

Before you decide to take out a HELOC, it might make sense to consider other options that might be available to you, like the ones below.

TIP

Renting your home out to other people may be prohibited under the terms of your line of credit.

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
HELOC *You borrow against the equity in your home*	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Variable. typically	Yes	Continue repaying and borrowing for several years without additional approvals or paperwork	Repayment amount varies; repayment is often required when you sell your home
SECOND MORTGAGE OR HOME EQUITY LOAN *You borrow against the equity in your home*	Generally a percentage of the appraised value of your home, minus the amount you owe on your mortgage	Fixed	Yes	Equal payments that pay off the entire loan	If you need more money, you need to apply for a new loan; repayment is often required when you sell your home
CASH-OUT REFINANCE *You replace your existing mortgage with a bigger mortgage and take the difference in cash*	Generally a percentage of the appraised value of your home; the amount of your existing loan plus the amount you want to cash out	Variable or fixed	Yes	Continue to make just one mortgage payment	Closing costs are generally higher; it may take longer to pay off your mortgage; interest rate may be higher than your current mortgage
PERSONAL LINE OF CREDIT *You borrow based on your credit, without using your home as collateral*	Up to your credit limit, as determined by the lender	Variable, typically	No	Continue repaying and borrowing for several years without additional approvals or paperwork	Solid credit is required; you may need to pay the entire amount due once a year; higher interest rate than a loan that uses your home as collateral

Compare a HELOC to other money sources

MONEY SOURCE	HOW MUCH CAN YOU BORROW	VARIABLE OR FIXED RATE	IS YOUR HOME AT RISK?	TYPICAL ADVANTAGES	TYPICAL DISADVANTAGES
RETIREMENT PLAN LOAN *You borrow from your retirement savings in a 401(k) or similar plan through your current employer*	Generally, up to 50% of your vested balance or $50,000, whichever is less	Fixed	No	Repay through paycheck deductions; paperwork required but no credit check and no impact on your credit score	If you leave or lose your job, repay the whole amount at that time or pay taxes and penalties; spouse may need to consent
HOME EQUITY CONVERSION MORTGAGE (HECM) *You must be age 62 or older, and you borrow against the equity in your home*	Depends on your age, the interest rate on your loan, and the value of your home	Fixed or variable	Yes	You don’t make monthly loan payments—instead, you typically repay the loan when you move out, or your survivors repay it after you die	The amount you owe grows over time; you might not have any value left in your home if you want to leave it to your heirs
CREDIT CARD *You borrow money from the credit card company and repay as you go*	Up to the amount of your credit limit, as determined by the credit card company	Fixed or variable	No	No minimum purchase; consumer protections in the case of fraud or lost or stolen card	Higher interest rate than a loan that uses your home as collateral
FRIENDS AND FAMILY *You borrow money from someone you are close to*	Agreed on by the borrower and lender	Variable, fixed or other	No	Reduced waiting time, fees, and paperwork compared to a formal loan	Forgiven loans and unreported or forgiven interest can complicate taxes, especially for large loans; can jeopardize important personal relationships if something goes wrong

How HELOCs work

PREPARE FOR UP-FRONT COSTS

Some lenders waive some or all of the up-front costs for a HELOC. Others may charge fees. For example, you might get charged:

- A fee for a property appraisal, which is a formal estimate of the value of your home
- An application fee, which might not be refunded if you are turned down
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes

PULL MONEY FROM YOUR LINE OF CREDIT

Once approved for a HELOC, you can generally spend up to your credit limit whenever you want. When your line of credit is open for spending, you are in the you are in the borrowing period, also called the draw period. Typically, you use special checks or a credit card to draw on your line. Some plans require you to borrow a minimum amount each time (for example, $300) or keep a minimum amount outstanding. Some plans require you to take an initial amount when the credit line is set up.

MAKE REPAYMENTS DURING THE “DRAW PERIOD”

Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. The portion of your payment that goes toward principal typically does not repay the principal by the end of the term. Other plans may allow payment of the interest only, during the draw period, which means that you pay nothing toward the principal.

If your plan has a variable interest rate, your monthly payments may change even if you don’t draw more money.

ENTER THE “REPAYMENT PERIOD”

Whatever your payment arrangements during the draw period—whether you pay some, a little, or none of the principal amount of the loan—when the draw period ends you enter a repayment period. Your lender may set a schedule so that you repay the full amount, often over ten or 15 years.

Or, you may have to pay the entire balance owed, all at once, which might be a large amount called a balloon payment. You must be prepared to make this balloon payment by refinancing it with the lender, getting a loan from another lender, or some other means. If you are unable to pay the balloon payment in full, you could lose your home.

RENEW OR CLOSE OUT THE LINE OF CREDIT

At the end of the repayment period, your lender might encourage you to leave the line of credit open. This way you don’t have to go through the cost and expense of a new loan, if you expect to borrow again. Be sure you understand if annual maintenance fees or other fees apply, even if you are not actively using the credit line.

TIP

If you sell your home, you are generally required to pay off your HELOC in full immediately. If you are likely to sell your home in the near future, consider whether or not to pay the up-front costs of setting up a line of credit.

GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
Initiating the HELOC				
Credit limit	$			
First transaction	$			
Minimum transaction	$			
Minimum balance	$			
Fixed annual percentage rate	%			
Variable annual percentage rate	%			
» Index used and current value				
» Amount of margin				
» Frequency of rate adjustments				
» Amount/length of discount rate (if any)				
» Interest rate cap and floor				
Length of plan				
» Draw period				
» Repayment period				
Initial fees				
» Appraisal fee	$			
» Application fee	$			

GET THREE HELOC ESTIMATES

Shopping around lets you compare costs and features, so you can feel confident you're making the best choice for your situation.

		OFFER A	OFFER B	OFFER C
» Up-front charges, including points	$			
» Early termination fee	$			
» Closing costs				
During the draw period				
» Interest and principal payments	$			
» Interest-only payments?	$			
» Fully amortizing payments	$			
» Annual fee (if applicable)	$			
» Transaction fee (if applicable)	$			
» Inactivity fee	$			
» Prepayment and other penalty fees	$			
During the repayment period				
» Penalty for overpayments?				
» Fully amortizing payment amount?				
» Balloon repayment of full balance owed?				
» Renewal available?				
» Refinancing of balance by lender?				
» Conversion to fixed-term loan?				

My best HELOC offer is: ____________

How variable interest rates work

Home equity lines of credit typically involve variable rather than fixed interest rates.

A variable interest rate generally has two parts: the index and the margin.

An index is a measure of interest rates generally that reflects trends in the overall economy Different lenders use different indexes in their loans. Common indexes include the U.S. prime rate and the Constant Maturity Treasury (CMT) rate. Talk with your lender to find out more about the index they use.

The margin is an extra percentage that the lender adds to the index.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an introductory or teaser rate that is unusually low for a short period, such as six months.

Rights and responsibilities

Lenders are required to disclose the terms and costs of their home equity lines of credit. They need to tell you:

- Annual percentage rate (APR)
- Information about variable rates
- Payment terms
- Requirements on transactions, such as minimum draw amounts and number of draws allowed per year
- Annual fees
- Miscellaneous charges

You usually get these disclosures when you receive a loan application, and you get additional disclosures before the line of credit is opened. In general, the lender cannot charge a nonrefundable fee as part of your application until three days after you have received the disclosures.

If the lender changes the terms before the loan is made, you can decide not to go forward with it, and the lender must return all fees. There is one exception: the variable interest rate might change, and in that case if you decide not to go ahead with the loan, your fees are not refunded.

Lenders must give you a list of HUD-approved housing counselors in your area. You can talk to counselor about how HELOCs work and get free or low-cost help with budgeting and money management.

Right to cancel (also called right to rescind)
If you change your mind for any reason, under federal law, you can cancel the credit line in the first three days. Notify the lender in writing within the first three days after the account was opened. The lender must then cancel the loan and return the fees you paid, including application and appraisal fees.

TIP

Some HELOCs let you convert some of your balance to a fixed interest rate. The fixed interest rate is typically higher than the variable rate, but it means more predictable payments.

If something changes during the course of the loan

HELOCs generally permit the lender to freeze or reduce your credit line if the value of your home falls or if they see a change for the worse in your financial situation. If this happens, you can:

- **Talk with your lender.** Find out the reason for the freeze or reduction. You might need to check your credit reports for errors that might have caused a downgrade in your credit. Or, you might need to talk with your lender about a new appraisal on your home and make sure the lender agrees to accept a new appraisal as valid.
- **Shop for another line of credit.** If another lender offers you a line of credit, you may be able to use that to pay off your original line of credit. Application fees and other fees may apply for the new loan.

WELL DONE!

For most people, a home is their most valuable asset. A HELOC can help you make the most of this asset, when you understand the ins and outs and know what to expect.

In this booklet:

ASK YOURSELF

Have I considered other sources of money and loans, besides a HELOC?

Have I shopped around for HELOC features and fees?

Am I comfortable with the worst-case scenario, where I could lose my home?

ONLINE TOOLS

CFPB website
cfpb.gov

Answers to common questions
cfpb.gov/askcfpb

Tools and resources for home buyers
cfpb.gov/owning-a-home

Talk to a HUD-approved housing counselor
cfpb.gov/find-a-housing-counselor

Submit a complaint
cfpb.gov/complaint

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